Company Number: 06564638

Scancell Holdings plc

REPORT AND CONSOLIDATED
FINANCIAL STATEMENTS

for the year ended 30 April 2022

Scancell Holdings plc
COMPANY INFORMATION

DIRECTORS

Dr John Chiplin
Professor Lindy Durrant
Dr Sally Adams
Dr Richard Goodfellow
Martin Diggle
Dr Ursula Ney
Susan Clement Davies

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Scancell Holdings plc
CHAIRMAN'S STATEMENT
for the year ended 30 April 2022

I am pleased to report the Group's final results for the year ended 30 April 2022.

During the previous financial year ended 30 April 2021, Scancell raised significant new funds amounting to £46.1m net proceeds that have enabled us to make strong clinical and operational progress during the period, leveraging our immunology expertise and our proprietary vaccine and antibody platforms to build our pipeline. During the period, we initiated two clinical trials with our Modi-1 and COVID-19 vaccines and recruitment is continuing in the SCIB1 Phase 2 clinical trial. Alongside, preclinical studies have started to produce and characterise our T cell redirecting bispecific (TCB) antibodies providing validation of the Company's GlyMab® monoclonal antibody (mAb) platform. Significant progress has also been made in using the AvidiMab® technology in both our own products but also exploring its potential for enhancing the efficacy of any mAb.

Post-period, we were pleased to announce that the Company has granted Genmab the worldwide licence to an anti-glycan mAb, providing commercial validation of our GlyMab® platform and R&D skills in utilising this technology to create novel antibody therapeutics candidates. Under the terms of the agreement, Genmab made an upfront payment to Scancell and the Company is eligible to receive milestone payments of up to $208 million for each product developed and commercialised, up to a maximum of $624 million if Genmab develops and commercialises products across all defined modalities. Scancell will also receive single digit royalties from Genmab on net sales of all commercialised products.

These results could not have been achieved without our staff and I would like to thank them for their hard work and dedication. In addition, the Board would like to thank all existing shareholders including Redmile and Vulpes for their continued support and we look forward to delivering on our plans over the next 12 months and beyond.

Set out below is a summary of progress that has been made across our innovative and proprietary vaccine and antibody platforms.

VACCINES

Moditope® platform

Moditope® is a versatile proprietary cancer vaccine platform that targets stress-induced post-translational modifications (siPTMs) of proteins. This discovery has allowed the Company to develop a completely new class of potent and selective therapeutic vaccines. Examples of such modifications include citrullination, an enzyme-based conversion of arginine to citrulline, and homocitrullination, in which lysine residues are converted to homocitrulline. Expression of peptides containing these modifications have been demonstrated to induce potent CD4 cytotoxic T cells that induce anti-tumour activity without any associated toxicity.

Modi-1

Modi-1, which targets citrullinated cancer antigens, is the first therapeutic vaccine candidate to emerge from Scancell's Moditope® platform. Modi-1 consists of three citrullinated tumour-associated peptides exploiting the normal immune response to stressed cells, which is largely mediated by cytotoxic CD4 T cells. The peptides are linked to AMPLIVANT®, a potent adjuvant which, in preclinical models, enhanced the immune response of Modi-1 10-to-100 fold and resulted in highly efficient tumour clearance, including protection against tumour recurrence. AMPLIVANT® is the subject of a worldwide licensing and collaboration agreement with ISA Pharmaceuticals for the manufacturing, development and commercialisation of Modi-1.

In August 2021, the Company received approval from the UK's Medicines and Healthcare products Regulatory Authority (MHRA) for a protocol amendment to the Phase 1/2 clinical trial ('ModiFY') in patients with solid tumours, including triple negative breast cancer, ovarian cancer, renal cancer and head and neck cancer. This amendment was aimed at accelerating patient recruitment and shortening study timelines. ModiFY is a first-in-human clinical trial and Modi-1 is being administered alone and in combination with checkpoint inhibitors (CPIs) in patients where the CPI is standard of care. This open label study will recruit over 100 patients in up to 20 UK clinical trial sites and the initial objective is to assess the safety, immunogenicity and efficacy of the peptides. In

addition, the effect of Modi-1 in promoting T-cell infiltration into the tumour will be assessed in a neoadjuvant cohort in which a further 30 patients with head and neck cancer will be treated with Modi-1 with or without CPI, prior to their first surgical resection.

In June 2022, the Company announced that the first patient had been dosed in Cohort 1 of ModiFY and all three patients in the cohort have now received two doses. The injections were well tolerated with no safety concerns. Three patients have been recruited to Cohort 2 and are currently receiving higher doses of the two citrullinated vimentin peptides plus a citrullinated enolase peptide. The Company expects safety and immunogenicity data to be available later this year and early efficacy data in 2023.

Modi-2

Modi-2, which targets homocitrullinated cancer antigens, is the second therapeutic vaccine candidate from the Company's Moditope® platform, and has the potential to address different cancer indications to Modi-1, including tumours with a particularly immunosuppressive environment. Internal preclinical research and formulation development work has continued to progress Modi-2 towards the clinic.

ImmunoBody® platform

Scancell's ImmunoBody® immunotherapy platform uses the body's immune system to identify, attack and destroy tumours. This is achieved by delivering a DNA plasmid to enhance the uptake and presentation of cancer antigens to harness high avidity T cell responses. Each ImmunoBody® vaccine can be designed to target a particular cancer in a highly specific manner, offering the potential for enhanced efficacy and safety compared with more conventional approaches. These vaccines have the potential to be used as monotherapy or in combination with checkpoint inhibitors and other agents. The Directors believe that this platform has the potential to enhance tumour destruction, prevent disease recurrence and extend survival.

Scancell's ImmunoBody® vaccine approach can also be exploited to induce immune responses against infectious diseases. As research data emerged at the beginning of the COVID-19 pandemic, it was clear that the induction of potent and activated T cells may play a critical role in the development of long-term immunity and clearance of virus-infected cells. Scancell is therefore also using its proven cancer vaccine concept to develop a vaccine against SARS-CoV-2, the virus that causes COVID-19.

SCIB1

SCIB1 is the lead product from the Company's ImmunoBody® immunotherapy platform, which uses the body's immune system to identify, attack and destroy tumours and is currently being evaluated in a Phase 2 clinical trial ('SCOPE') in the UK in combination with a checkpoint inhibitor for the treatment of metastatic melanoma.

Following the approval of a protocol amendment by the MHRA, the trial will include a cohort of melanoma patients who will receive SCIB1 plus doublet therapy consisting of ipilimumab (Yervoy®) plus nivolumab (Opdivo®) in addition to the cohort who will receive SCIB1 with pembrolizumab (Keytruda®), reflecting changes in the current treatment landscape for metastatic melanoma patients. The Phase 2 study is designed to assess whether the addition of SCIB1 treatment to CPI standard of care results in an improvement in patient outcomes for patients with metastatic disease. The primary objectives of the trial are tumour response rate, progression-free survival and overall survival in patients with advanced melanoma.

Under the updated protocol the company will also test the SCIB1 vaccine delivered via needle-free injection, using a PharmaJet® device. Prior to the amendment, SCIB1 has been delivered using electroporation to enhance the uptake and presentation of the DNA vaccine to the immune system and, although electroporation is a proven delivery method, the Company believes that needle-free injection could provide enhanced patient acceptance.

iSCIB1+

The Company has also been developing iSCIB1+, an AvidiMab® modified version of SCIB1, which is expected to increase both the potency of SCIB1 and extend patent life. This modification also includes multiple epitopes so it can be used to treat all patients rather than be limited to the 40% of patients who have the appropriate HLA type for treatment with SCIB1. Given the significant improvements in potency, utility and patent life with iSCIB1+, the Company plans to transition the SCOPE trial to the iSCIB1+ product during 2023.

COVIDITY

The COVIDITY programme, focusing on the Company's novel COVID-19 vaccine candidates SCOV1 and SCOV2, recently completed recruitment in South Africa and will report safety and immunogenicity data in Q1 2023. Given the large size of later stage trials, the Company intends to partner this programme once it has generated proof of concept data from the Phase 1 trial. The Company is also using PharmaJet® needle-free injection systems in this trial as well as in the SCOPE trial of SCIB1.

ANTIBODIES

GlyMab®
The GlyMab® platform provides a powerful and versatile approach to generating novel antibody drug candidates for our own clinical pipeline but also to partner with other companies in areas such as drug targeting to capitalise on other groups expertise. The GlyMab® antibodies bind to sugar motifs, rather than peptide epitopes, found on the surface of glycosylated proteins and lipids that are implicated as drug targets in particular cancers and potentially other diseases. As such, this novel proprietary platform expands on Company's innovative approach to developing innovative therapies for cancer and infectious disease. The Company currently has a pipeline of five anti-glycan mAbs: SC129, SC134, SC88 and SC27 that target solid tumours including pancreatic, small cell lung, colorectal and gastric cancers, and SC2811 that targets a glycolipid present on T cells. All of these drug candidates have now been successfully humanised and are ready for the next stage of development.

The Company will develop GlyMab® antibodies into redirecting TCB antibodies and take them into the clinic. This is a promising new therapeutic approach for treating cancer. TCB antibodies have dual-binding specificity which crosslinks tumour cells via their glycans with an activating receptor CD3 on T cells. This results in activation of killer T cells and tumour cell death. These antibodies are particularly potent in tumours which have lost the T cell recognition molecule major histocompatibility antigen (MHC) or where there is limited T cell infiltration as they by-pass normal T cell activation pathways and redirect the host immune system to the tumour.

To create TCB antibodies, Scancell will combine its proprietary GlyMab® antibodies, which target sugar motifs rather than proteins and are designed to have superior affinity and selectivity profiles, with in-licenced Fc silencing technology from Oxford-based mAbsolve. The technology from mAbsolve reduces the likelihood of toxicity caused by cytokine storms, which can be associated with clinical antibodies engaging the immune system. Scancell will leverage its deep understanding of cancer immunotherapy and T cell immunology together with its strong development capabilities to bring the TCB antibodies to clinical validation, thereby adding value to the entire GlyMab® platform. Currently the Company is in the preclinical research phase and expects to take a novel product into a Phase 1 clinical study in due course. The first two mAbs to move into clinical development in house are anticipated to be a redirected TCB and an ultra-specific T cell costimulatory mAb which the Board believe will validate the commercial value of the entire GlyMab® antibody platform.

Post-period, the Company announced a licensing agreement with Genmab to develop and commercialise Scancell's anti-glycan mAb. The Company is eligible to receive milestone payments of up to $208 million for each product developed and commercialised, up to a maximum of $624 million if Genmab develops and commercialises products across all defined modalities. Scancell will also receive low single digit royalties from Genmab on net sales of all commercialised products

AvidiMab®

AvidiMab® is a versatile proprietary platform technology that can enhance the avidity and thereby the potency of any antibody. To date, the Company has used AvidiMab® in its internal programmes to:

- Engineer the anti-glycan mAbs to improve their ability to directly kill tumour cells.
- Engineer other mAbs to enhance their potency and/or extend their patent lifetime.
- Increase the breadth of response and potency of Scancell's ImmunoBody® cancer products.
- Increase the potency of the T cell response in Scancell's COVID-19 vaccine which in turn should lead to improvements in long-term protection and immunological memory.

Post-period, Scancell recently presented preclinical data on its antibody platforms at the EuroMAbNet 12th Annual Meeting which illustrated the versatility and specificity of the Company's platforms in generating novel antibody drug candidates using its GlyMab® technology and enhancing their anti-cancer potential with AvidiMab®.

Looking forward, Scancell is planning to increase the value of this rich pipeline of products through the generation of early-stage clinical data, either alone or in combination with strategic partners.

CORPORATE

Directors

During July 2021, Professor Lindy Durrant, founder, Board Director and Chief Scientific Officer of the Group was appointed as Chief Executive Officer of Scancell Holdings plc, following Dr Cliff Holloway's decision to step down as a Board Director and CEO. The Board firmly believes that her strategic insight, commitment to the Company and strong leadership skills will deliver significant value to the business and shareholders.

Dr Richard Goodfellow has been a Director at Scancell since 1999 and, after many years' service, has decided not to stand for re-election at the forthcoming Annual General Meeting (AGM) and retire. Richard was Chief Executive Officer of the Group until 2017 and since then has been extremely supportive to me and the rest of the Board. On behalf of the Board, I would like to thank Richard for his invaluable contribution to the growth of Scancell and wish him well in his retirement.

New office and additional laboratory facilities

In August 2021 Scancell entered into a five-year lease agreement with The Oxford Science Park for additional laboratory and office space in the Bellhouse Building at the Oxford Science Park. These new premises, which are complementary to Scancell's laboratories in the Biodiscovery Institute at the University of Nottingham, will allow the Company to further accelerate the development of its portfolio of immunotherapies.

FINANCIAL REVIEW

Profit or Loss and Other Comprehensive Income Statement

The Group made an operating loss for the year to 30 April 2022 of £13.3 million (2021 loss of £8.8 million).

The increase in development expenditure to £9.5 million (2021: £6.4 million) relates to the average number of research staff increasing to 33 (2021: 21) and increased costs on all research projects as the Company now has sufficient resources to work on the existing Moditope® and ImmunoBody® platforms and also the GlyMab® and AvidiMab® platforms.

Administrative expenditure has increased to £4.8 million (2021: £3.3 million) reflecting amortisation charges arising from the additional office and laboratory space leased on the Oxford Science Park, a share option charge and increased salary costs as non-research employee numbers increased to seven from four.

During the period, the Company received grant income of £1.0 million (2021: £0.9m) from Innovate UK, the UK's Innovation Agency, which has partially funded the development of the COVID-19 vaccine and COVIDITY programme.

Interest payable of £2.9m (2021: £1.7m) largely relates to the interest on the convertible loan notes (CLNs) which were issued in November 2020. The interest charge for the current year represents a full year's charge.

The finance credit of £5.2m (2021: expense £6.3m) relating to the derivative liability is the fair value adjustment of the derivative liability at 30 April 2022. The finance expense is not a cash item and has no impact upon the Company's cashflow.

The gain on the substantial modification of the CLNs amounting to £7.2 million (2021: £nil) arises from accounting adjustments from the replacement of the CLNs in existence at 27 October 2021 with new CLNs with a later maturity data. These adjustments have no impact upon Scancell's cashflows.

The Loss before taxation amounted to £3.8 million (2021: £16.8 million) and the R&D tax credit increased slightly to £1.7 million (2021: £1.3 million). As the Company has received grant income in respect of the development of the COVIDITY vaccine none of the COVIDITY development costs can be included in the R&D tax claim.

Overall, the loss for the year was £2.1 million (2021: loss £15.5 million).

Statement of Financial Position

At 30 April 2022, the net assets of the Group amounted to £18.1 million (2021: £19.5 million) including cash at bank of £28.7 million (2021: £41.1 million).

The new lease for the Bellhouse Building in Oxford was recognised as a right of use asset and a lease liability increasing additions to the right of use asset and the lease liability by £1.2 million. Additions to fixed assets in the year amounted to £1.3 million of which £0.8 million related to laboratory equipment.

The tax receivable due at the end of the year amounted to £3.0 million (2021: £2.6 million) and relates to the R&D tax credit for the 2020/21 tax year plus the tax credit for the year to 30 April 2022.

The fall in Trade and other receivables to £647k (2021: £968k) is partly due to the Innovate UK grant finishing at 31 March 2022 and the Company being restricted in the amount of expenditure it could claim back.

On 27 October 2021, the Company announced that it had entered into a Deed of Amendment (Deed) relating to the extension of the redemption dates for the CLNs and under the Deed, the redemption date for the August 2020 CLNs was extended to 12 August 2025 and for the November 2020 CLNs was extended to 10 November 2025. The CLNs are required to be redeemed on the new redemption dates if they have not previously been converted into ordinary shares in the Company.

The Derivative Liabilities represents the fair value of the conversion feature of the CLNs at the time of issue of the CLNs with changes in value being shown in the Consolidated Profit or Loss and Other Comprehensive Income Statement as a finance credit or expense.

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Consolidated Cash Flow Statement

As at 30 April 2022 bank balances amounted to £28.73 million (2021: £41.1 million). As can be seen in the Consolidated Cash Flow Statement, there has been a decrease in cash and cash equivalents of £12.4 million (2021: increase £37.5 million). The Company has been able to progress on all platforms with the cash used for this being £11.5 million (2021: £7.8 million), purchase of fixed assets amounting to £1.3m (2021: £0.7 million), payment of interest on the Convertible Loan Notes of £537k (£2021: £nil) and the new lease agreement for the offices and laboratories in Oxford has increased lease payments in the year to £391k (2021: £154k).

OUTLOOK

Over the past 12 months, Scancell has made good progress with three vaccine candidates now in the clinic and preclinical activities moving the antibody platforms forward, building on our expertise in immunology to underpin and drive our dual approach to targeting modified neo-antigens for cancer therapy. We anticipate that key milestones will be achieved in the next financial year with safety and efficacy readouts from all three of our current vaccine clinical trials:

- Recruitment of patients in the ModiFY trial is progressing well with seven active clinical sites; early safety and efficacy data due to be reported in the next 12 months.

- Recruitment of melanoma patients into the current SCOPE trial is also ongoing; the Company aims to transition iSCIB1+ into this study during 2023 to expand the patient population and extend the patent life of the product.

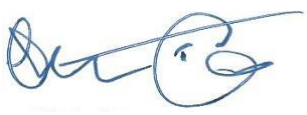
- Our COVIDITY trial has completed recruitment in South Africa and the Company intends to partner this programme once the proof-of-concept data from the Phase 1 trial has been collated and reviewed providing validation of the utility of our ImmunoBody® technology in treating infectious diseases.

In addition, product development has been initiated for Modi-2, the second vaccine from the Moditope® platform, and the Company expects to start GMP manufacturing and nonclinical toxicity studies within the current financial year, with a view to starting a Phase 1/2 clinical trial in the 2023/2024 financial year.

Scancell is one of only a few companies worldwide that has the capability to product high affinity, humanised anti-glycan antibodies and we now have a strong portfolio of patent-protected mAbs with excellent specificity and which bind strongly to tumour tissues. The recent licensing deal with Genmab, with milestones of up to $624m and single digit royalties, provides commercial validation of this antibody portfolio. Each mAb can be developed into multiple products which presents a rich reservoir of potential products for in house development and also for further revenue-generating deals with third parties. The first two mAbs to be taken into clinical development in house are anticipated to be a redirected TCB and an ultra-specific T cell costimulatory mAb.

The Company's current GlyMab® technology generates highly selective murine mAbs, which are subsequently humanised. This platform is now being complemented by a new discovery research technology that enables us to produce fully-human mAbs directly from human blood. Scancell will use both of these methods to further generate, characterise and develop novel anti-glycan mAbs. Furthermore, the Company is applying its AvidiMab® modifications to commercially available mAbs to improve their therapeutic indices and efficacy profiles.

Scancell continues to progress its goal to build a sustainable company turning science into world leading vaccines and antibodies targeting post-translational modifications, and so improving both patient outcome and shareholder value.



John Chiplin
Chairman 27 October 2022

Scancell Holdings plc
DIRECTORS
for the year ended 30 April 2022

The current Directors of the Company are:

Dr John Chiplin (Chairman)
Dr John Chiplin has many years' international experience in listed life science companies where he has fulfilled the roles of Chief Executive Officer and Chairman. He is Managing Director of Newstar Ventures Ltd, an investment and advisory firm and contributes strong corporate finance skills to the Group. John is also Chairman of N4 Pharma PLC, an AIM listed company and also serves on the board of Kings Arms Yard VCT PLC and Biotherapy Services Limited.

Professor Lindy Durrant (Chief Executive Officer, Chief Scientific Officer)
Professor Lindy Durrant is an internationally recognised immunologist in the field of tumour therapy. She has worked for over 20 years in translational research, developing products for clinical trials including monoclonal antibodies and cancer vaccines. She was appointed CEO of the Group in July 2021 and combines the CEO and CSO roles. She has a personal Chair in Cancer Immunotherapy in the Department of Clinical Oncology at the University of Nottingham.

Dr Sally Adams (Chief Development Officer)
Dr Sally Adams has worked on many complex projects over the past 25 years including anti-infective vaccines and cancer immunotherapies. She has previously held Development Director positions in life science companies and, prior to her appointment as Development Director at Scancell, she worked as a development consultant to Scancell providing guidance on the development of SCIB1.

Dr Richard Goodfellow (Non-Executive Director)
Dr Richard Goodfellow was CEO of Scancell until 31 December 2017. He has many years' experience with Scancell and in life sciences generally which he brings to the Board. As well as contributing to the Board, Richard provides business development advice and consulting services to Scancell.

Martin Diggle (Non-Executive Director)
Mr Martin Diggle is a founder, director and partner in Vulpes Investment Management and manages the Vulpes Life Sciences Fund. He has over 30 years' experience in investment banking and fund management and has been an investor in life sciences and biotech for nearly 20 years. His extensive experience of investment management in the life science sector adds a new and valuable insight to the Board of Directors. Martin's other directorships are Proteome Sciences plc, Chronos Therapeutics Limited, leucid Bio Limited and Oxford Endvascular Limited.

Ursula Ney (Non-Executive Director, Chair of Remuneration Committee)
Dr Ney has over thirty years' experience in the pharmaceutical and biotechnology industry, including twenty years in senior leadership roles that also encompassed Executive and Non-Executive Board positions. She has broad experience of biologic and small molecule drug development across a range of therapeutic areas having been Director of Drug Development and on the Board of Celltech plc and later Chief Operating Officer and Executive Director of Antisoma plc. Most recently, she was Chief Executive Officer of Genkyotex SA. She was on the board of Discuva Ltd and is currently a Non-Executive Director of Proteome Sciences plc and also Vice Chair of the Board of Governors of the University of Plymouth.

Susan Clement Davies (Non-Executive Director, Chair of Audit Committee)
Susan is an experienced life sciences financier with over 25 years of capital markets and investment banking experience, including Managing Director of Equity Capital Markets at Citigroup Global Markets Limited and most recently until 2018, Managing Director at Torreya Partners LLC. Susan is currently Non-Executive Director and Chairman of the Audit Committee of Evgen Pharma plc, an AIM listed clinical stage drug development company, Non Executive Director and Chairman of Audit Committee of MiNA Therapeutics, Non-Executive Director of Exploristics Ltd and Non-Executive Director Science group PLC, an AIM listed service and product development organisation.

PRINCIPAL ACTIVITY

Scancell is a clinical stage biopharmaceutical company that is leveraging its proprietary research, built up over many years of study of the human adaptive immune system, to generate truly novel vaccine and antibody medicines to treat significant unmet needs in cancer and infectious disease.

REVIEW OF THE BUSINESS AND FUTURE PROSPECTS

A detailed review of the business and likely future developments is included in the Chairman's statement on page 2.

The results of the Group for the year are set out in the Consolidated Profit or Loss and other Comprehensive Income statement on page 30.

PRINCIPAL RISKS AND UNCERTAINTIES

The Board meets regularly to review the operations of the business and discuss risk areas.

A system of internal controls has been established and the Board ensures that management keeps these processes under regular review and improves them where appropriate. These systems are designed to manage rather than eliminate the risk of failure to achieve business objectives and can provide only reasonable and not absolute assurance against material misstatement or loss.

The Board have identified the following risks relating to the Company and its business.

Business strategy may change

The future success of the Company will depend on the Directors' ability to continue to implement effectively its business strategy. In particular, the pursuit of that strategy may be affected by changes in social and demographic factors or by changes in the competitive environment in the markets in which the Group currently operates or expects to operate. If such changes were to materialise the Directors may decide to change certain aspects of the Group's strategy. This might entail the development of alternative products and services, which would place additional strain on the Company's capital resources and may adversely impact on the revenues and profitability of the Group.

Future funding requirements and success of partnership discussions

The Company will require further funding in the future to continue to develop its assets towards commercialisation. There is no guarantee that the Company will be able to secure non-dilutive funding for any of its assets including, but not limited to, licence arrangements with third parties and grant funding. There is no guarantee that the Company will successfully conclude licensing discussions for its technologies on terms that are acceptable to Shareholders or at all. The Board reviews the timelines for completing projects in conjunction with cashflow projections to ensure that the Group will have the necessary cash resources available.

Technology and products

Scancell is an immunotherapy drug discovery company. Its success is dependent upon the development, successful licensing and patenting of its proprietary technology and its products. Products within Scancell's pipeline, both in house and in development with partners, are in relatively early stages of development and, as such, there is no guarantee that the products can be successfully manufactured for clinical testing. There is a risk that safety issues may arise when the products are further tested in man. This risk is common to all new classes of drugs and, as with all other drug companies, there is a risk that trials may not be successful. To mitigate these risks, the Group employs external consultants and advisers to review these underlying assumptions and the results from preclinical development and clinical trials. The Board considers these assessments and internal documentation on a regular basis and where necessary will amend or adjust the Group's strategy.

Product development timelines
Product development timelines are at risk of delay, particularly since it is not always possible to predict the rate of patient recruitment into clinical trials. There is a risk therefore that product development could take longer than presently expected by the Directors; if such delays occur the Company may require further working capital. The Directors seek to minimise the risk of delays by careful management of projects through continuous monitoring of required cashflows, against available resources and planned fundraising activities.

Patents
The field of antibody and immunotherapy drug development is highly litigious. Scancell's priorities are to protect its IP and seek to avoid infringing other companies' IP. To protect its technology, Scancell has secured and is securing further worldwide rights to patents protecting the ImmunoBody®, Moditope®, GlyMab® and AvidiMab® platforms. However, there remains the risk that Scancell may face opposition from other companies to patents that it seeks to have granted. The Company engages reputable legal advisers to mitigate the risk of patent infringement and to assist with the protection of Scancell's IP.

COVID-19

The Group has already been impacted by the lock-down arising out of the COVID-19 pandemic. In the event that there is a further wave of the COVID-19 pandemic this could have an impact on patient recruitment for the clinical trials, slow down research projects and impact third parties' ability to manufacturer product, meaning delays in planned timelines. Whilst this would not have an immediate adverse impact on bank balances, it would impact upon project timelines which may result in further funding becoming difficult to secure.

Other

As set out in note 21, the risks and risk assessment regarding financial instruments are considered.

KEY PERFORMANCE INDICATORS

Due to the nature of the business the board considers both non-financial and financial KPIs.

These relate to reviewing, on a regular basis, the scientific and technical progress of the research and development programmes and protection of the intellectual property arising from them together with monitoring the progress being made with the Group's upcoming clinical trials which are discussed in the Chairman's statement from page 2.

The most important financial KPIs are reviewing the research, development and clinical trial expenditure against budget and its subsequent impact upon the Group's cash runway. Following on from the impact of COVID-19 upon hospitals there have been delays in setting up and running the SCIB1 002 clinical trial in the UK and delays in Modi-1 manufacturing the costs in the current year were below budget. These were partially offset by additional research costs and resulted in final bank balances at the year-end being ahead of budget.

DIRECTORS' DUTIES SECTION 172 STATEMENT

Under Section 172(1) of the Companies Act 2006, a director of a company must act in the way he considers, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

a) the likely consequences of any decision in the long-term;
b) the interests of the Company's employees;
c) the need to foster the Company's business relationships with suppliers and others;
d) the impact of the Company's operations on the community and the environment;
e) the desirability of the Company maintaining a reputation for high standards of business conduct; and
f) the need to act fairly between members of the Company.

The Corporate Governance Statement set out on pages 13 to 16 and the Company's website, www.scancell.co.uk, the framework of our engagement with key stakeholder groups and should be read in conjunction with the table below which sets out how the Directors engage with employees and other key stakeholders.

Stakeholder	Topics	How we engage
Employees Scancell's 47 employees are based on two sites in Nottingham and Oxford.	Ensuring both sites view themselves as one Company; communicating performance of the Company; motivating staff	Regular Company meetings with both sites; weekly meetings at individual sites; easy access to Executive Directors; granting of share options
Investors and shareholders Scancell is a pre-revenue Company and is dependent upon existing and future investors to fund its research and development products	Business Strategy clearly setting out the progress with projects in development and cash requirements	Use of financial PR consultants; interviews with Proactive investors the release of information through the Group's website; the Regulatory News Service of the London Stock Exchange; meeting individual shareholders at AGM
Suppliers Scancell has a wide range of suppliers for consumable items and a few key suppliers who are key to our manufacturing of product	Management of supplier relationships ensuring consumable and other items are delivered on time and at right price	The Company has appointed a Procurement Solutions provider to manage our relationships with Suppliers providing materials for the laboratory. Key suppliers are managed in-house with regular meetings being held with Scancell management
Contract Research Organisations CROs are key to managing Scancell's clinical trial programmes	Management of clinical trials and recruitment of patients; Regulatory and pre-clinical services	Rigorous selection process before engaging CRO and then regular project meetings

Principal decisions in 2021/22

We have considered the decisions taken by the Board which will have an impact on the longer-term performance and prospects for the Group. The Board believes that the following decisions taken during the year and since the year end fall into this category and were made with full consideration of both internal and external stakeholders. The group's aim is to meet the needs of the key stakeholders who ultimately wish for the research and trials to produce a vaccine for those current and future projects. The communication with these stakeholders, along with discussions internally have resulted in the following significant events and decisions throughout the year:

Significant events/decisions	Key s172 matter(s) affected	Actions and impact
Appointment of Professor Lindy Durrant as Chief Executive Officer.	Shareholders and Employees.	Lindy and the staff are driving our pipeline of products across all platforms from the laboratory through to the clinic which should deliver significant value to the business and shareholders.
Agreed to lease additional laboratory and office facilities on the Oxford Science Park.	Employees	Following recommendation from the Senior Management Team and after consideration of funding resources and existing and future staff requirements, the Board agreed to enter into a lease agreement with The Oxford Science Park.
Agreed to negotiate a three-year extension of the date for the conversion of Convertible Loan Notes ('CLN's)	Shareholders	The CLNs were due for conversion or repayment in August and November 2022. The three-year extension to the maturity date enabled the Board to use available cash resources to fund further work on the Company's Antibody and Vaccine platforms.

The Group's board regularly reviews its current and projected finances to ensure that it has sufficient capital resources to execute its business plan.

John Chiplin 27 October 2022
Chairman

Scancell Holdings plc
CORPORATE GOVERNANCE
for the year ended 30 April 2022

Principles of corporate governance

The Board recognise the value of good corporate governance not only in the areas of accountability and risk management but also as a positive contribution to delivering and protecting enhanced shareholder value. New regulations were introduced by AIM from 28 September 2018 and the Board has been following the corporate governance principles set out in the Corporate Governance Code published by the Quoted Companies Alliance (QCA), to the extent that it considers the principles to be appropriate. On our website (www.scancell.co.uk/corporate-governance) we set out how the Company and Group addresses the ten key governance principles defined in the QCA Code. It is my primary responsibility, as Chairman to lead the Board effectively and to oversee the adoption, delivery and communication of the Company's corporate governance model.

Board Composition

Dr Cliff Holloway resigned as CEO on 28 July 2021 and Professor Lindy Durrant was appointed CEO from that date.

The Board now comprises an Executive Chairman, two Executive Directors and four Non-Executive Directors.

The Board meets regularly to consider strategy, performance, approval of major capital projects and the framework of internal controls. During the year ended 30 April 2022 there were seven scheduled board meetings with each member attending as follows:

Director	Number of meetings held whilst a board member	Number of meetings attended
Dr John Chiplin	7	7
Dr Cliff Holloway (resigned July 2021)	1	1
Prof Lindy Durrant	7	7
Dr Sally Adams	7	7
Dr Richard Goodfellow	7	7
Mr Martin Diggle	7	7
Dr Ursula Ney	7	7
Susan Clement Davies	7	7

The current members of the Board of directors are Listed in the Directors Biography section of these financial statements on page 8.

The Board consists of seven members, all of whom have extensive experience in the Life Science sector covering pre-clinical research and development in the field of oncology, clinical development, management of intellectual property, business development and finance.

The Non -Executive Directors are expected to spend such reasonable time required each month to fulfil their role and duties for the Company. This will include attendance at monthly Board meetings, the AGM, meetings with the other Non-Executive directors and meetings with shareholders. Ursula Ney and Susan Clement-Davies are considered to be independent directors as apart from receipt of fees, they have no financial interest in the Company.

With the mix of expertise on the Board, the Board believes that it is well placed to deliver our business strategy.

The Executive Directors meet on a weekly basis either face to face or by phone to discuss operational matters. To enable the Board to discharge its duties, all Directors receive appropriate and timely information. Briefing papers are distributed to all Directors in advance of Board meetings. All Directors have access to the advice and services of the Company Secretary, who is responsible for ensuring that the Board procedures are followed, and that applicable rules and regulations are complied with. The appointment and removal of the Company Secretary is a matter for the Board as a whole. In addition, procedures are in place to enable the Directors to obtain independent professional advice in

the furtherance of their duties, if necessary, at the Company's expense. Subject to the terms of the Executive Directors' service contracts, Directors are subject to retirement by rotation and re-election by the Shareholders at Annual General Meetings on a three-year cycle, as required by the Articles of Association and any Director appointed by the Board shall hold office only until the next Annual General Meeting and shall then be eligible for election.

The Scancell Board has the broad range of skills and capabilities required to direct the Group. These include sector-specific experience in the Business Development and Research and Development functions, as well as more general finance, accounting and business management skills. The Board is supported by the following committees:

Remuneration Committee
The Remuneration Committee comprises Dr Ursula Ney (Chair), Susan Clement Davies and Dr John Chiplin.

The Committee meets at least once a year and more frequently if required. The Committee is responsible for setting the remuneration policy of the Executive Directors, including terms of employment, salaries, any performance bonuses and share option awards. The Executive Directors also consult the Committee in relation to the remuneration of senior employees and staff share option schemes. The remuneration of the Non-Executive Directors is determined by the Board as a whole.

Governance and Nominations Committee
The members of the Governance and Nominations Committee are Dr John Chiplin (Chair), Dr Ursula Ney and Susan Clement Davies.

The Nominations Committee meets as necessary and its responsibilities include the review of the structure, size and composition of the Board, together with skills, knowledge, experience and diversity, succession planning, review of leadership needs and identification, evaluation and nomination of candidates to fill Board vacancies. Following the stepping down of Dr Cliff Holloway, the Board agreed that Professor Lindy Durrant was the best candidate to be appointed as CEO and did not engage third parties to find another candidate for the role.

Board Evaluation
During the year the Board recognised that there needed to be a wider set of skills within the Non-Executive Directors. The Board has carried out an evaluation of its own performance and effectiveness and that of individual directors during the year. The review identified major areas requiring further focus, including:

- Succession planning for management;
- Composition of the board in terms of board diversity, experience and independence.

Audit Committee
The Audit Committee is responsible for the relationship with the Group's external auditor, the review of the Group's financial reporting and the Group's internal controls.

Susan Clement Davies is Chair of the Audit Committee and is joined by Dr Ursula Ney and Dr John Chiplin.

The Committee will normally meet at least twice per year and has primary responsibility for monitoring the quality of internal controls ensuring that the financial performance of the Company is properly measured and reported on and reviewing reports from the Company's auditors relating to the Company's accounting and internal controls, in all cases having due regard to the interests of Shareholders. The Audit Committee meets with the auditor at least once a year. The Audit Committee has undertaken an assessment of the auditor's independence, including:

- A review of non-audit services provided to the Group and related fees;
- Discussion with the auditor of a written report detailing all relationships with the Group and any other parties that could affect independence or the perception of independence;
- A review of the auditor's own procedures for ensuring the independence of the audit firm and partners and staff involved in the audit, including regular rotation of the audit partner; and
- Obtaining written confirmation from the auditor that, in their professional judgement, they are independent.

At the Company's Annual General Meeting in November 2021, BDO were re-appointed as Independent Auditors to the Company for the financial year ending 30 April 2022.

The Audit Committee is satisfied that the external auditor is independent in the discharge of their audit responsibilities.

Internal Control and Risk Management

The Directors are responsible for ensuring that the Group maintains a system of internal control to provide them with reasonable assurance regarding the reliability of financial information used within the business and for publication and that the assets are safeguarded, transactions are authorised and properly recorded and that material errors and irregularities are either prevented or would be detected on a timely basis.

There are inherent limitations in any system of internal control and accordingly even the most effective system can provide only reasonable, but not absolute, assurance with respect to the preparation of financial reporting and the safeguarding of assets.

The Group, in administering its business has put in place strict authorisation, approval and control levels within which senior management operates. These controls reflect the Group's organisational structure and business objectives. The control system includes clear lines of accountability and covers all areas of the organisation. The Board operates procedures which include an appropriate control environment through the definition of the organisation structure and authority levels and the identification of the major business risks.

The key element of the internal control systems in operation is the Board meeting regularly with a formal agenda to monitor all aspects of the business including monitoring the Group's financial performance against approved budgets and forecasts.

The major risks and uncertainties facing the Group together with actions to mitigate the risks are set out in the Strategic Report on pages 9 to 12 and are reviewed by the Board on a regular basis. Specific projects are monitored by project development teams and the Senior Management Team on a weekly basis.

There are no significant issues disclosed in the report and financial statements for the year ended 30 April 2022 and up to the date of approval of the report and financial statements that have required the Board to deal with any related material internal control issues.

Investor Relations

The Group's Board maintains ongoing communication with existing and potential investors. This is achieved by:

- talking to institutional and private investors through direct meetings;
- individual shareholders talking to Board members at the Annual General Meeting;
- financial PR consultants;
- the release of information through the Group's website;
- the Regulatory News Service of the London Stock Exchange.

Going concern

The Board of Directors determine the appropriate basis for preparing the consolidated financial statements and consider whether the Company and Group have sufficient financial resources to continue operating for at least a year from the date of approval of the financial statements.

The Group has already been impacted by the lock-down arising out of the COVID-19 pandemic which saw hospital clinics being closed as clinical staff were re-allocated to wards to deal with increased numbers of in-patients. If there is additional pressure put on the NHS because of winter flu virus or a new outbreak of COVID then this could impact upon the Company's ability to complete clinical trials.

At 30 April 2022, the Convertible Loan Notes ('CLNs') outstanding were convertible into shares or repayable to the note holders in two tranches in August 2025 (£1.75m) and November 2025 (£17.9m).

Detailed cash flow projections are prepared and reviewed by the Board on a regular basis. Having considered the cash projections, and the working capital requirements of the Company and Group, including the timings of expenditure surrounding the manufacture of SCIB1, Modi-1, development work on a COVID-19 vaccine, the on-going clinical trials and further work on the Monoclonal Antibody Platform, the Board has a reasonable expectation that sufficient resources are available to enable the Company and the Group to continue in operation for at least twelve months from the date of approval of these financial statements.

The Company will require further funding in the future to continue to develop its assets towards commercialisation. Such funding could include, but is not limited to, issuing equity or debt, entering into licence arrangements with third parties and grant funding. The Directors' cashflow projections indicate planned activities are fully funded through to Q1 2024.

Following this review, the Board concluded that the financial statements should continue to be prepared using the going concern basis.

John Chiplin
Chairman

27 October 2022

Remuneration Committee

During the financial year ended 30 April 2022 the Remuneration Committee members were Dr Ursula Ney, Dr John Chiplin) and Susan Clement Davies. The committee is chaired by Dr Ursula Ney.
The Committee meets at least once a year and more frequently if required. The Committee is responsible for setting the remuneration policy of the Executive Directors, including terms of employment, salaries, any performance bonuses and share option awards. The Executive Directors also consult the Committee in relation to the remuneration of senior employees and staff share option schemes. The remuneration of the Non-Executive Directors is determined by the Board as a whole.

Remuneration Policy

The key principles underlying all decisions by the Remuneration Committee include the following:

- The need to attract, retain and motivate outstanding executives who have the potential to support the growth of the Scancell and help the Company achieve its strategic objectives.
- The need to ensure that long term incentive plans ('LTIP') are aligned with the interests of shareholders.
- The need to consider the competitive landscape in the UK biotechnology industry and current best practice in setting appropriate levels of compensation.

The Committee met on two occasions during the financial year. Subjects under discussion included a review of whether remuneration paid met the Company's objectives to reward and incentivise the Executive team and a review of the fees for non- executive Directors. Dr C Holloway stepped down in July 2021 and payments reflect his contractual entitlement including earnings, pay in lieu of notice and pro-rata bonus. In addition to consulting our key shareholders, the remuneration committee consulted external consultants and considered pay structures in equivalent listed companies in the UK biotech industry.

Bonuses

The Company operates a bonus scheme for executive directors and all other staff for delivery of exceptional performance against pre-set relevant corporate objectives. Annual bonus entitlements are based on the achievement of pre-set Group corporate, financial and personal performance targets.

Directors' Remuneration

The table below summarises all Directors' salaries, fees for consulting and pension contributions.

	2022					2021			
	Salary and fees	Contractual payment	Bonus	Pension Contribs	Total	Salary and fees	Bonus	Pension Contribs	Total
	£	£	£	£	£	£	£	£	£
Dr J Chiplin	147,500		-	-	147,500	110,155	-	-	110,155
Dr R M Goodfellow	151,667		-	-	151,667	76,426	-	-	76,426
Dr C Holloway[1]	71,250	365,340	-	439	437,029	234,375	150,000	1,316	385,691
Professor L G Durrant	270,000		106,875	-	376,875	164,062	150,000	-	314,062
Dr S E Adams	207,000		46,575	2,070	255,645	177,417	77,250	3,621	258,288
Mr M H Diggle[2]	-		-	-	-	-	-	-	-
Dr U Ney	40,000		-	-	40,000	22,917	-	-	22,917
Ms S Clement Davies[3]	43,750		-	-	43,750	15,062	-	-	15,062
Dr A Lewis[54]	-		-	-	-	13,978	-	-	13,978
	931,167	365,340	153,450	2,509	1,452,466	814,392	377,250	4,937	1,196,579

Directors' Remuneration (continued)

Notes:

1 Dr Cliff Holloway resigned on 28 July 2021
2 Mr. Martin Diggle receives no remuneration.
3 Susan Clement Davies was appointed as a Non-Executive Director on 24 September 2020
4 Dr Alan Lewis resigned as a Non-Executive Director on 24 September 2020

Chief Executive Officer's remuneration

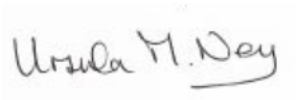
The total remuneration paid to the Chief Executive Officer, Professor Lindy Durrant is a multiple of 6.0 times (2021: 6.3 times) the average remuneration of an employee of the Group.

Directors' share options

The Remuneration Committee believes that the issue of options is a useful tool in motivating executives and ensuring their interests are aligned with those of our shareholders. All options are subject to time vesting schedules to ensure retention and stretching performance hurdles to ensure that rewards are consistent with delivery of strategic goals. Examples of performance hurdles include progress in clinical development programs, partnering and share price targets.

At 30 April 2022, the following Directors held options over the shares of the Company.

	Grant Price	*At 30/04/2022*	*At 30/04/2021*	*Issue Date*	*Date of expiry*
Dr J Chiplin	17.0p	3,000,000	3,000,000	18/04/2016	18/04/2026
	8.15p	1,000,000	1,000,000	30/04/2020	30/04/2030
Dr R M Goodfellow	4.5p	2,880,000	2,880,000	30/07/2020	30/07/2023
	33.2p	3,500,000	3,500,000	11/12/2013	31/12/2023
	8.15p	1,000,000	1,000,000	30/04/2020	30/04/2030
Prof L G Durrant	4.5p	3,850,000	3,850,000	30/07/2020	30/07/2023
	10.5p	9,000,000	9,000,000	31/01/2018	31/01/2028
	8.15p	1,000,000	1,000,000	30/04/2020	30/04/2030
	21.25p	9,000,000	-	09/09/2021	09/09/2031
Dr S E Adams	10.5p	2,500,000	2,500,000	31/01/2018	30/01/2028
	8.15p	1,000,000	1,000,000	30/04/2020	30/04/2030



Ursula Ney
Chair of the Remuneration Committee

27 October 2022

Scancell Holdings plc
AUDIT COMMITTEE REPORT
for the year ended 30 April 2022

The Audit Committee is responsible for the relationship with the Group's external auditor, the review of the Group's financial reporting and the Group's internal controls.

The Audit Committee members are Susan Clement Davies (Chair of the Audit Committee), Dr Ursula Ney and Dr John Chiplin.

The responsibilities of the Committee include the following:

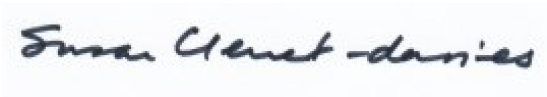
- Monitoring the integrity of the financial statements of the Group.
- Reviewing the accounting policies, accounting treatments and disclosures in the financial statements.
- Reviewing the Group's internal financial controls and risk management systems.
- Overseeing the Group's relationship with external auditors, including making recommendations to the Board as to the appointment or re-appointment of the external auditors, reviewing their terms of engagement, and monitoring the external auditors' independence, objectivity and effectiveness.

The Audit Committee met three times during the year with time allowed for discussion without any members of the executive team being present, to allow the external auditor to raise any issues of concern. Audit Committee meetings may be attended, by invitation, by other Directors and by the Group's auditors.

The Committee has responsibility for, amongst other things, planning and reviewing the Annual Report and Accounts and Interim Statements involving, where appropriate, the external auditors. The Committee also approves external auditors' fees and ensures the auditors' independence as well as focusing on compliance with legal requirements and accounting standards. It is also responsible for ensuring that an effective system of internal control is maintained. The ultimate responsibility for reviewing and approving the annual financial statements and interim statements remains with the Board.

During the year ended 30 April 2022, the Audit Committee and to the date of this report, reviewed and approved the financial statements for the year ended 30 April 2021, the interim results for the six months to 31 October 2021 and the external auditor's plan for and findings from the 2022 external audit.

The Audit Committee has satisfied itself that the external auditor is independent. The Audit Committee has concluded that the external audit process was effective, that the scope of the audit was appropriate and that any significant judgements have been robustly challenged. No significant issues have been reported by the auditor for the accounts for the year ended 30 April 2022.



Susan Clement Davies
Chair of Audit Committee

27 October 2022

Scancell Holdings plc
DIRECTORS' REPORT
for the year ended 30 April 2022

The Directors submit their report and financial statements of Scancell Holdings plc for the year ended 30 April 2022. Scancell Holdings plc is registered in England and Wales and is quoted on the AIM market.

RESULTS AND DIVIDENDS

The Group's results for the year ended 30 April 2022 are shown in the Consolidated Profit or Loss and other comprehensive income statement on page 30.income No dividends will be distributed for the year.

FUTURE DEVELOPMENT AND RESEARCH AND DEVELOPMENTS

A detailed review is included in the Chairman's statement on page 2 and the Strategic Review on page 9.

DIRECTORS AND THEIR INTERESTS

The members of the Board, who have served during the financial year are detailed below. Their interests in the shares of the Group at 30 April 2022 and 2021 are set out below.

	30 April 2022		30 April 2021	
	Owned	Jointly owned[1]	Owned	Jointly owned[1]
Dr S E Adams	69,623	Nil	69,623	Nil
Dr J Chiplin	2,000,000	Nil	2,000,000	Nil
Prof L G Durrant	1,796,432	-	1,796,432	8,773,960[1]
Dr R M Goodfellow	258,823	6,343,840[1]	258,823	6,343,840[1]
Mr M H Diggle[2]	Nil	Nil	Nil	Nil
Dr U Ney	Nil	Nil	Nil	Nil
Ms S Clement Davies	Nil	Nil	Nil	Nil

[1] These shares are jointly owned with the Trustees of the Scancell Employee Benefit Trust which was established in July 2007.

[2] Martin Diggle is a partner in the Vulpes Life Science Fund which at 30 April 2022 held 117,729,029 (2021: 116,079,029) of the shares in the group.

During the year, Professor Lindy Durrant has sold 6,840,633, joint ownership shares previously awarded to her through the Scancell Employee Benefit Trust and no longer has an interest in the 1,933,327 shares which were held jointly by the Scancell Employee Benefit Trust and Professor Durrant.

In addition, the Directors have been granted share options in Scancell Holdings plc as outlined in the Directors' Remuneration report. Further details of all options outstanding, including those issued to employees, and fair value calculations can be found in note 18 to the Accounts.

SUBSTANTIAL SHAREHOLDINGS

The Directors have been notified, or are aware of, the following interests in 3% or more of the ordinary share capital of the Company (excluding Directors) at 26 October 2022.

	Ordinary shares at 0.1p each	
	Number	Percentage
Redmile Group LLC	241,766,065	29.66%
Vulpes Life Science Fund	117,729,029	14.44%
Calculus Capital	37,546,331	4.6%

DIRECTORS REPORT (continued)

STRUCTURE OF THE COMPANY'S CAPITAL

The Company's share capital is traded on the AIM market and comprises a single class of ordinary shares of 0.1 pence, each carrying one voting right and all ranking equally with each other

The total issued share capital at 30 April 2022 is 815,218,831 ordinary shares of 0.1 pence each.

Details of employee share option schemes are set out in Note 18 to the financial statements. Participants in employee share schemes have no voting or other rights in respect of the shares subject to their awards until the options are exercised, at which time the shares rank *pari passu* in all respects with shares already in issue.

DIRECTORS' INDEMNITY
The Directors and officers of the Company are insured against any claims arising against them for any wrongful act in their capacity as a Director, officer or employee of the Company, subject to the terms and conditions of the policy.

DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the Group and Company financial statements in accordance with UK adopted international accounting standards and as applied with the provisions of the Companies Act 2006.Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group and Company for that period. The Directors are also required to prepare financial statements in accordance with the rules of the London Stock Exchange for companies trading securities on AIM.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with UK adopted international accounting standards in conformity with the requirements of the Companies Act 2006;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the requirements of the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DIRECTORS REPORT (continued)

Website publication
The Directors are responsible for ensuring the annual report and the financial statements are made available on a website. Financial statements are published on the Company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS
The Directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information (as defined by section 418 of the Companies Act 2006) of which the auditors are unaware. Each of the Directors have confirmed that they have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

AUDITORS

The auditors, BDO LLP, will be proposed for re-appointment as independent auditors at the forthcoming Annual General Meeting of the Company.

By approval of the Board on 27 October 2022.

John Chiplin
Chairman

Opinion on the financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 30 April 2022 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the Parent Company financial statements have been properly prepared in accordance with UK-adopted international accounting standards and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Scancell Holdings Plc (the 'Parent Company') and its subsidiary (the 'Group') for the year ended 30 April 2022 which comprise the consolidated profit or loss and other comprehensive income statement, the consolidated statement of financial position, the consolidated statement of changes in equity, the consolidated cashflow statement, the notes to the consolidated financial statements, the company statement of financial position, the company statement of changes in equity, the company cashflow statement and the notes to the company financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK-adopted international accounting standards and, as regards the Parent Company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remain independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Directors' assessment of the Group and the Parent Company's ability to continue to adopt the going concern basis of accounting included:

- Evaluating the Directors' method for assessing going concern including the relevance and reliability of underlying data used to make the assessment, and whether assumptions and changes to assumptions from prior years are appropriate and where relevant consistent with each other. The assumptions were assessed against the Group's development plans and committed expenditure;
- Obtaining the list of the planned expenditures on existing identified projects and, for a sample of costs, agreed the amounts and timing to billing details and milestones as per suppliers' contracts or quotes;
- Reviewing the Directors' stress-testing of the forecasts to the extent of reasonable worst-case scenarios, solely in relation to estimates of planned operational costs being increased by various percentages, to shorten the existing cash runway to less than one year from the date of approval of the financial statements.
- Reviewing the adequacy and appropriateness of disclosures in the financial statements regarding the going concern assessment.

We carried out the above procedures through using our understanding of the business model, objectives, strategies and related business risk, the measurement and review of the entity's financial performance, forecasting and budgeting processes and the entity's risk assessment process.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or the Parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Overview

<table>
<tr><td>Coverage</td><td>100% (2021: 100%) of Group loss before tax
100% (2021: 100%) of Group total assets</td></tr>
<tr><td>Key audit matters</td><td><table><tr><td></td><td>2022</td><td>2021</td></tr><tr><td>Research and development: agreement accounting</td><td>✔</td><td>✔</td></tr></table></td></tr>
<tr><td>Materiality</td><td>Group financial statements as a whole

£500,000 (2021: £540,000) based on 5% of 2 years average loss before tax (2021: 5% of loss before tax)</td></tr>
</table>

An overview of the scope of our audit

Our Group audit was scoped by obtaining an understanding of the Group and its environment, including the Group's system of internal control, and assessing the risks of material misstatement in the financial statements. We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the Directors that may have represented a risk of material misstatement.

The group comprises Scancell Holdings Plc and Scancell Limited (both based in UK) and full scope audits were undertaken by Group engagement team for both components. All audit work was performed by the BDO LLP.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit, and directing the efforts of the engagement team. This matter was addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Key audit matter		**How the scope of our audit addressed the key audit matter**
Research and development: agreement accounting *Relevant accounting policies* • Expenditure; • Research and development;	Collaboration, licensing and other partnering agreements can have accounting complexity in terms of the nature of services, licenses or other arrangements provided, and the related consideration paid. The Group is not yet revenue generating, however has entered into numerous agreements in the current and	• We reviewed the key terms of all material ongoing third-party research agreements, including the review of any contracted costs within the agreements. • We tested a sample of all relevant expenses recorded during the year and agreed these to related invoices and their content to determine the

• Creditors; • Financial instruments: Financial assets and Financial Liabilities; and • Key sources of estimation uncertainty: Agreement accounting *Relevant notes* • Note 12 – Trade and other receivables: Prepayments; and • Note 13 – Trade and other payables: Accruals	prior years which give rise to various financial obligations. These obligations could impact any area of the financial statements however they have been determined most likely to give rise to potential undisclosed liabilities. A significant portion of research and development expenditure arises through the subsidiary company outsourcing research to third parties. At the year end management are required to calculate the associated accruals and prepayments based on the progress of the research contracts versus the amounts billed to date. Due to the nature of clinical trials, drug manufacturing processes and general research it is often difficult to estimate the length of time a particular trial or research process is going to take. As a result it can be difficult for the entity to measure what costs have been incurred in relation to outsourced research at a particular point in time and as such, based on billings received, whether project accruals and prepayments recorded are reasonably estimated. Our audit risk is focused on whether the relevant expenditure has been appropriately included in the income statement and whether prepayments and accruals are appropriately calculated and recognised. As such, agreement accounting as a whole is considered a key audit matter as it impacts multiple disclosure and balances within the financial statements.	correct accounting treatment and concluded if the expenditure was appropriately classified within the financial statements. Where relevant, we have obtained third party confirmation of stages of completion of a project and compared the progress against both the contract and the value of expenditure billed to date. We also confirmed that none of the expenditure met the definition under IAS38 for capitalisation. • We then agreed the year end cost position against the billing schedule as per the agreement to determine if a prepayment or accrual needed to be recognised. We also reviewed all agreements signed during the year for any clauses or terms which may indicate that a collaboration, licensing or other partnering agreement involved potential revenue to the Group, if a drug or vaccine meets certain development milestones, is approved and/or marketed. In our review, we considered the wider implications on the financial statements, including the potential requirement to disclose future contracted commitments or the possibility that a contract may contain a lease. • For a selected sample of project costs relating to research and development expenditure we obtained the underlying contracts and checked the basis on which management had recognised costs and recalculated those costs when required. We obtained management's calculation of the accrual or prepayment and checked the mathematical formulae. • We tested a sample of invoices received both during the year and after the year end to assess whether they should have been expensed, recognised as a prepayment, recognised as an accrual or if the invoice was correct not to be recognised in the financial year. The invoice details were reviewed and where relevant were traced to invoicing schedules per the contracts. • We tested for unrecorded liabilities by agreeing contract to invoices received during the year, that those costs

		recorded related to genuine contractual arrangements, and had been recorded accurately. *Key observations* Based on our work, we noted no significant issues regarding the judgements, estimates and assumptions made by management in accounting for the group's supplier contracts.

Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole and performance materiality as follows:

	Group financial statements		**Parent company financial statements**	
	2022 £	2021 £	2022 £	2021 £
Materiality	500,000	540,000	400,000	450,000
Basis for determining materiality	Our group materiality was based upon 5% of the 2 years average loss before tax for the year. We used an average because of the fluctuation of losses due to revaluation of convertible loan notes. Management issued convertible loan notes in the prior year, so we consider a 2 years average is appropriate.	5% of the preliminary loss before tax for the year was used, prior to certain year-end closing adjustments made by the Directors. It was not considered necessary to increase final materiality as a result of the increase in loss before tax during the audit process, as the increased loss arose predominantly due to revaluation of the derivative liability at the year-end, which we audited as a discrete transaction. Final materiality was 3.2% of final loss before tax.	We calculated Scancell Holding PLC materiality at 80% of Group materiality	
Rationale for the benchmark applied	Loss before tax is considered to be one of the principal considerations for the users of the financial statements in assessing the financial performance of the Group.		A percentage of group materiality was selected in order to reduce component aggregation risk to an acceptable level for the two significant components.	

Performance materiality	350,000	370,000	280,000	315,000
Basis for determining performance materiality	Performance materiality was set at 70% of the above materiality levels. In setting the level of performance materiality we considered a number of factors including the expected total value of known and likely misstatements based on past experience and other factors.			

Component materiality

We calculated Scancell Limited materiality at 70% of Group materiality in order to reduce component aggregation risk to an acceptable level of the two significant components. The resulting component materiality for Scancell Limited was £350,000 (2021: £350,000).

In the audit of Scancell Limited, we further applied a performance materiality level of £245,000 (2021: £245,000), being 70% (2021: 70%) of the component materiality to our testing to ensure that the risk of errors exceeding component materiality was appropriately mitigated.

Reporting threshold

We agreed with the Audit Committee that we would report to them all individual audit differences in excess of £20,000 (2021: 21,000). We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds.

Other information

The directors are responsible for the other information. The other information comprises the information included in the report and consolidated financial statements other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Other Companies Act 2006 reporting

Based on the responsibilities described below and our work performed during the course of the audit, we are required by the Companies Act 2006 and ISAs (UK) to report on certain opinions and matters as described below.

Strategic report and Directors' report	In our opinion, based on the work undertaken in the course of the audit: • the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and • the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements. In the light of the knowledge and understanding of the Group and Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.
Matters on which we are	We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

required to report by exception	• adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or • the Parent Company financial statements are not in agreement with the accounting records and returns; or • certain disclosures of Directors' remuneration specified by law are not made; or • we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the Directors' responsibilities in respect of the financial statements, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We focused on laws and regulations that could give rise to a material misstatement in the Group and Parent company's financial statements and the susceptibility of the entity's financial statements to material misstatement including fraud. Our procedures included, but were not limited to:

- Obtaining an understanding of the legal and regulatory frameworks through discussion with management (as required by auditing standards) and from our general commercial and sector experience that are applicable to the Group and Parent company determining that the most significant frameworks which are directly relevant to specific assertions in the financial statements are those that relate to the reporting framework, rules of the London Stock Exchange for companies trading securities on AIM, International Financial Reporting Standards, the Companies Act 2006 and relevant tax compliance regulations;
- Understanding how the Group and Parent company is complying with those frameworks by making enquiries of management, those responsible for legal and compliance procedures and the Company Secretary. We corroborated our enquiries through our review of board minutes and papers provided to the Audit Committee;
- Assessing the susceptibility of the Group's financial statements to material misstatement, including how fraud might occur, and meeting with management from across the Group to understand where there was actual and suspected fraud and whether they considered the Group was susceptible to fraud;

- Our audit planning identified fraud risks in relation to management override of controls. We obtained an understanding of the processes and controls that the Group has established to address risks identified, or that otherwise prevent, deter and detect fraud; and how management monitors those processes and controls; and
- With regards to the fraud risk in management override, our procedures included journal transaction testing, with a focus on large or unusual transactions based on our knowledge of the business. We also performed an assessment on the appropriateness of key judgements and estimates, for example, in respect of the fair value of the derivative liability related to convertible loan notes which are subject to management's judgment and estimation, and could be subject to potential bias.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit. In addition, the engagement partner assessed whether the engagement team collectively had the appropriate competence and capabilities to identify or recognize non-compliance with laws and regulations.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Parent Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Parent Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:
Ian Oliver
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Ian Oliver (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Reading, UK

27 October 2022

27 October 2022

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Scancell Holdings plc

CONSOLIDATED PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME STATEMENT
for the year ended 30 April 2022

	Notes	2022 £'000	2021 £'000
Development expenses		(9,477)	(6,406)
Administrative expenses		(4,787)	(3,346)
Grant income		965	918
OPERATING LOSS	3	(13,299)	(8,834)
Interest receivable and similar income		4	3
Interest payable	4	(2,882)	(1,651)
Gain on substantial modification of convertible loan notes	16	7,166	-
Finance income/(expense) relating to derivative liability revaluation	15	5,243	(6,323)
LOSS BEFORE TAXATION		(3,768)	(16,805)
Taxation	5	1,703	1,328
LOSS FOR THE YEAR AND TOTAL COMPREHENSIVE LOSS		(2,065)	(15,477)
LOSS PER ORDINARY SHARE (pence)	6		
Continuing			
Basic		(0.25)p	(2.28)p
Diluted		(0.25)p	(2.28)p

The notes on pages 34 to 57 form part of these financial statements

Scancell Holdings plc (Company Number: 06564638)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 April 2022

		2022 £'000	2021 £'000
ASSETS			
Non-current assets			
Tangible fixed assets	9	1,579	692
Right-of-use assets	10	1,165	283
Goodwill	11	3,415	3,415
		6,159	4,390
Current assets			
Trade and other receivables	12	647	968
Taxation receivable	5	2,990	2,590
Cash and cash equivalents		28,725	41,110
		32,362	44,668
TOTAL ASSETS		38,521	49,058
LIABILITIES			
Non-current liabilities			
Convertible loan notes	14	(7,008)	(15,184)
Derivative liability	15	(10,095)	(12,031)
Lease Liabilities	10	(856)	(63)
		(17,959)	(27,278)
Current liabilities			
Trade and other payables	13	(2,137)	(2,087)
Lease Liabilities	10	(315)	(208)
		(2,452)	(2,295)
TOTAL LIABILITIES		(20,411)	(29,573)
NET ASSETS		18,110	19,485
SHAREHOLDERS' EQUITY			
Called up share capital	17	815	815
Share premium		65,019	65,019
Share option reserve		1,395	705
Profit and loss account		(49,119)	(47,054)
TOTAL SHAREHOLDERS' EQUITY		18,110	19,485

These financial statements were approved by the Directors and authorised for issue on 27 October 2022 and are signed on their behalf by:

John Chiplin
Director

The notes on pages 34 to 57 form part of these financial statements

Scancell Holdings plc

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 30 April 2022

	Share Capital	Share Premium	Share Option	Retained losses	Total
	£'000	£'000	£'000	£'000	£'000
Balance 1st May 2020	465	38,388	372	(31,577)	7,648
Share issue	280	23,856	-	-	24,136
Expenses of issue	-	(1,409)	-	-	(1,409)
Conversion of loan notes	70	4,184	-		4,254
Share option credit	-	-	333	-	333
Loss for the year and total comprehensive loss				(15,477)	(15,477)
Balance 30 April 2021	815	65,019	705	(47,054)	19,485
Loss for the year and total comprehensive loss	-	-	-	(2,065)	(2,065)
Share option credit	-	-	690	-	690
Balance 30 April 2022	815	65,019	1,395	(49,119)	18,110

The notes on pages 34 to 57 form part of these financial statements

Scancell Holdings plc

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 30 April 2022

	Note	2022 £'000	2021 £'000
Cash flows from operating activities			
(Loss) before tax		(3,768)	(16,805)
Adjustments for:			
Finance income		(4)	(3)
Lease interest paid	4	48	12
Convertible loan interest payable	4	2,834	1,639
Finance expense for derivative liability	14	(5,243)	6,323
Gain on substantial modification of convertible loan notes	16	(7,166)	-
Depreciation	9	381	115
Amortisation of right-of-use asset	10	359	134
Share-based payment charge/ (credit)		690	333
Cash used in operations before changes in working capital		**(11,869)**	**(8,252)**
(Increase)/Decrease in other receivables		321	(597)
Increase /(Decrease) in accounts and other payables		51	1,046
Cash used in operations		**(11,497)**	**(7,803)**
Tax credits received		1,304	-
Net cash used in operating activities		**(10,193)**	**(7,803)**
Investing activities			
Purchase of tangible fixed assets	9	(1,268)	(744)
Finance income		4	3
Net cash (used in) investing activities		**(1,264)**	**(741)**
Financing activities			
Proceeds from issue of share capital		-	24,136
Expenses of share issue		-	(1,409)
Proceeds from issue of convertible loan notes		-	23,901
Expenses of convertible loan notes issue		-	(395)
Convertible loan interest paid		(537)	-
Lease payments		(391)	(154)
Net cash generated from financing activities		**(928)**	**46,079**
Net (decrease)/increase in cash and cash equivalents		**(12,385)**	**37,535**
Cash and cash equivalents at beginning of the year		**41,110**	**3,575**
Cash and cash equivalents at end of the year		**28,725**	**41,110**

The notes on pages 34 to 57 form part of these financial statements

1 ACCOUNTING POLICIES

Statutory Information

Scancell Holdings plc is a public company, limited by shares, registered and domiciled and incorporated in England and Wales. The address of its registered trading office is Bellhouse Building, Sanders Road, Oxford OX4 4GD.

Going concern assessment

These financial statements were approved by the Board of Directors on 27 October 2022.

The Board of Directors determine the appropriate basis for preparing the consolidated financial statements and consider whether the Company and Group have sufficient financial resources to continue operating for at least a year from the date of approval of the financial statements.

Detailed cash flow projections are prepared and reviewed by the Board on a regular basis. Having considered the cash projections, and the working capital requirements of the Company including the timings of expenditure surrounding the ImmunoBody, Moditope, GlyMab and AvidiMab platforms and the three on-going clinical trials, the Board has a reasonable expectation that sufficient resources are available to enable the Company to continue in operation for at least twelve months from the date of approval of these financial statements. The Company's clinical trials have been impacted by the COVID-19 pandemic which saw hospital clinics being closed as clinical staff were re-allocated to wards to deal with increased numbers of in-patients. If there is additional pressure put on the NHS because of winter flu virus or a new outbreak of COVID then this could impact upon the Company's ability to complete clinical trials.

At 30 April 2022, the Convertible Loan Notes ('CLNs') outstanding were convertible into shares or repayable to the note holders in two tranches in August 2025 (£1.75m) and November 2025 (£17.9m).

The Company will require further funding in the future to continue to develop its assets towards commercialisation. Such funding could include, but is not limited to, issuing equity or debt, entering into licence arrangements with third parties and grant funding. The Directors' cashflow projections indicate planned activities are fully funded through to Q1 2024.

Following this review, the Board concluded that the financial statements should continue to be prepared using the going concern basis.

Basis of preparation

These financial statements have been prepared in accordance with UK approved international accounting standards in conformity with requirements of the Companies Act 2006 applicable to companies reporting under IFRS. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policies below.

The accounting policies adopted are consistent with those of the previous financial year.

As permitted by Section 408(3) of the Companies Act 2006, the Income Statement of the parent Company is not presented with these Financial Statements. The loss and other comprehensive loss of the parent Company is shown in the statement of changes in equity on page 54.

New standards and interpretation

At the date of authorisation of these financial statements a number of new Standards and Interpretations have been issued but are not yet effective and have not been applied in these financial statements.

The Directors do not believe that the adoption of these Standards and Interpretations would have a material impact on the financial statements of the Group. The Directors anticipate that the adoption of these Standards and Interpretations in future periods will have no material impact on the financial statements of

1 ACCOUNTING POLICIES (continued)

the Group when the relevant standards and interpretations come into effect.

BUSINESS COMBINATIONS
The financial statements consolidate the results the financial statements of the Company and its subsidiary, Scancell Limited. Unrealised gains on transactions between the Company and its subsidiary are eliminated.

Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group since date of transition. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued, and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Any costs related to the acquisition are expensed in the period in which they are incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The excess of the cost of the acquisition over the fair value of assets and liabilities is recorded as goodwill. If the cost of the acquisition is less than the fair value of the net assets of the subsidiary acquired the difference is recognised directly in the consolidated profit or loss and other comprehensive income statement.

Subsidiary:
Scancell Limited is controlled by Scancell Holdings plc. An investor controls an investee when the investor is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The financial statements of the subsidiary are included in the consolidated financial statements.

Acquisitions:
On acquisition, the assets and liabilities of a subsidiary, including identifiable intangible assets, are measured at their fair value at the date of acquisition. Any excess of the cost of acquisition over the fair value of the identifiable net assets acquired is recorded as goodwill. Goodwill is reviewed for impairment annually and any impairment is recognised immediately in the consolidated profit or loss and other comprehensive income statement. Impairment is determined by comparing the recoverable amount of goodwill with its carrying value. For goodwill, the carrying value is compared to the market capitalisation of Scancell Holdings plc, as quoted on AIM at the year end. The recoverable amount is the greater of an asset's value in use or its fair value less costs to sell. Where the recoverable amount is less than the carrying value, the asset is considered impaired and is written down through the consolidated profit or loss and other comprehensive income statement to its recoverable amount.

The results and cash flows relating to the business are included in the consolidated accounts from the date of combination.

IMPAIRMENT OF TANGIBLE AND INTANGIBLE ASSETS
At each balance sheet date, the Group reviews the carrying amounts of Goodwill. For all tangible assets, and the investment in subsidiary, the group on an annual basis determines whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). An impairment loss is immediately recognised as an expense, in the consolidated profit or loss and other comprehensive income statement. The recoverable amount is the greater of an asset's value in use or its fair value less costs to sell. Where the recoverable amount is less than the carrying value, the asset is considered impaired and is written down through the consolidated profit or loss and other comprehensive income statement to its recoverable amount less costs to sell.

1 ACCOUNTING POLICIES (continued)

EXPENDITURE
All expenditure is accounted for on an accruals basis and is classified under headings that aggregate all costs related to the category of expenditure.

TANGIBLE FIXED ASSETS
Tangible fixed assets are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life

Plant and machinery	- 25% on reducing balance
Furniture & fittings	- 25% on reducing balance
Computer Equipment	- 33% on reducing balance

Amortisation is provided on the right-of-use asset over the period of the lease to which it relates.

TAXATION
Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all temporary differences identified at the balance sheet date, except to the extent that the deferred tax arises from the initial recognition of goodwill or the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting profit nor taxable profit. Temporary differences are differences between the carrying amount of the Group's assets and liabilities and their tax base.

Deferred tax liabilities may be offset against deferred tax assets within the same taxable entity. Any remaining deferred tax asset is recognised only when, on the basis of all available evidence, it can be regarded as probable that there will be suitable taxation profits, within the same jurisdiction, in the foreseeable future against which the deductible temporary differences can be utilised.

INVESTMENTS
Investments in subsidiaries are stated at cost less any provisions for impairment. An impairment is recognised when the recoverable amount of the investment is less than the carrying amount.

Investments are presented in Scancell Holdings plc company figures, not in the consolidated financial statements.

RESEARCH AND DEVELOPMENT
Expenditure on research and development activities is expensed in the year in which it is incurred.

An internally generated asset arising from the Group's development activities is only recognised if all of the following criteria are met:
- technical feasibility of completing the intangible asset so that it will be available for sale
- intention to complete the intangible asset and use or sell it
- ability to use or sell the intangible asset
- the intangible asset will generate future economic benefit
- resources are available both technically and financially to complete the development.

In the case of development projects undertaken by the Group, regulatory and other uncertainties generally mean that such criteria are not met. Where no internally generated intangible asset can be recognised, development expenditure is recognised as an expense in the period in which it is incurred.

1 ACCOUNTING POLICIES (continued)

GRANT INCOME

Government Grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and the grants will be received. Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate.

IFRS16

The Group adopted IFRS 16 Leases with effect from 1 May 2019 and the accounting policy is detailed in note 10. This has resulted in the Group's leases with the University of Nottingham, Regus and The Oxford Science Park, being brought onto the statement of financial position, as both a right-of-use asset and a lease liability. The right-of-use asset and lease liability are both based on the present value of lease payments due over the term of the lease, with the asset being amortised evenly over the period of the lease and the liability increased for the accretion of interest and reduced by lease payments.

FOREIGN CURRENCIES

Foreign currency assets and liabilities are converted to sterling at the rates of exchange ruling at the end of the financial year. Transactions in foreign currencies are converted to sterling at the rates of exchange ruling at the transaction date. All of the resulting exchange differences are recognised in the profit and loss account as they arise.

CASH AND CASH EQUIVALENTS

Cash includes cash-in-hand and deposits held at call with banks.

CREDITORS

Creditors are recognised when the Company has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount to be settled can be reliably measured or estimated.

INTER-COMPANY LOAN

The inter-company loan from Scancell Holdings plc to its subsidiary, Scancell Limited, is recorded at cost, is interest free and has no repayment terms.

Annually the intercompany loan is assessed for impairment in line with IFRS 9. The expected credit loss model is used to determine the present value of the intercompany receivable. The 12-month model has been used to determine the expected credit loss.

This loan is eliminated in preparing the consolidated financial statements.

EQUITY

Equity comprises the following:

- Share capital represents the nominal value of equity shares.
- Share premium represents the excess over nominal value of the fair value of consideration received for equity shares, net of expenses of the share issue.
- Retained earnings include all current and prior period results as disclosed in the consolidated profit or loss and other comprehensive income statement.
- Share-based payment reserve is the corresponding entry to the expense arising from equity-settled share-based payments.

FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised on the Group's consolidated statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

1 ACCOUNTING POLICIES (continued)

Financial assets
The Group has no revenues and its financial assets, measured at amortised cost comprise other receivables, other financial assets and cash and cash equivalents in the consolidated statement of financial position. Other financial assets comprise short-term deposits not meeting the IAS7 definition of cash equivalent. Cash and cash equivalents include cash in hand, deposits held at call with banks.

Financial liabilities
Financial liabilities include trade and other payables and convertible loan notes.
Trade and other payables, and the convertible debt host contract liability are measured initially at fair value and subsequently carried at amortised cost using the effective interest rate method.

Fair value through profit or loss
This category comprises solely the conversion element of the convertible loan notes. They are carried in the consolidated statement of financial position at fair value with changes in fair value recognised in the consolidated statement of comprehensive income. The Group does not hold or issue derivative instruments for speculative purposes, the Group does not have any liabilities held for trading nor has it designated any financial liabilities as being at fair value through profit or loss.

Convertible loan notes
Convertible loan notes issued by the Group allow the holder the right to exchange all outstanding loan notes, and all accrued interest thereon for a class of equity in the Parent Company. The conversion right arises at the conversion price on the conversion date, either:

- Automatically on the completion of certain future events; or
- At election of a noteholder under certain conditions.

During the current financial year, the maturity dates of the convertible loan notes were extended by three years so that the tranches of loan notes matured in August 2025 and November 2025. The net present value of the cashflows arising from this three-year extension meant that, under IFRS9, this is viewed as a substantial modification with the old notes being treated as redeemed and a gain on substantial modification arose.

The Group assesses whether the transaction price relates to both the underlying financial instrument and the warrants issued representing the same economic arrangement, and therefore fair value of the whole arrangement. The Group subsequently assesses whether the underlying financial instrument (loan notes) and the conversion feature should be classified as a liability or equity instrument. As part of this assessment, the Group considers whether the conversion feature is closely related to the host contract, requiring a separate assessment of the host contract and the conversion feature. It was determined that the conversion feature was not closely related to the host contract, meeting the criteria for recognition as a separate embedded derivative.

Loan note: It was determined that the Group does not have an unconditional right to avoid delivering cash or another financial asset to settle the contractual obligation, meeting the criteria to be recognised as a financial liability.

Conversion feature: It was determined that there are a number of settlement outcomes where the Group is not required to settle the loan notes with a fixed number of its own equity instruments, meeting the criteria to be recognised as a financial liability.

The fair value of the conversion feature was determined, and the residual value of the overall transaction price is assigned to the debt host contract liability and subsequently measured at amortised cost. The embedded derivative liability is subsequently measured at fair value at each reporting date and changes are recorded in net finance income/(expense). Transaction costs are apportioned to the debt liability and the embedded derivative. The amounts attributed to the conversion feature are expensed, and the portion of

1 ACCOUNTING POLICIES (continued)

transaction costs that are attributed to the loan are added to the carrying amount of the financial liability and amortised using an effective interest rate through interest expense.

Upon the conversion of the loan notes or part of them to shares at a conversion date, the carrying amount of the related liability is de-recognised from the convertible loan notes balance and the derivative liability balance with any gain or loss versus the contractual exercise price on conversion being credited or charged rough 'finance expense - derivative liability' in the profit or loss and other comprehensive income statement.

SHARE BASED PAYMENTS
In accordance with IFRS2 – 'Share based payments', a charge is made for all share –based payments including share options based upon the fair value of the instrument issued.

Under IFRS 2 the charge in the Profit or Loss and Other Comprehensive Income Statement for granted share options is based upon the fair value of the options at grant date and is charged over the expected vesting period. Estimates of leaver rates are taken into account over the vesting period. A charge has been recognised for all awards granted and is charged to the same expense category as the remuneration costs for the employee to whom the share award has been made. An equivalent amount is credited to the share option reserve in the balance sheet, with no resulting impact on net assets. The share options have been granted to Directors and employees in the subsidiary Company, Scancell Limited. Within Scancell Holdings plc, the parent Company, a credit has been made to the share option reserve whilst the debit is treated as an increase in the investment value of the subsidiary Company.

EMPLOYEE BENEFITS
The costs of short-term employee benefits are recognised as an expense when the services have been rendered by the employee, any costs not paid to the employee after year end are recognised as a liability. The cost of any unused holiday entitlement is accrued at the balance sheet date, if the employee has unused holiday entitlement.

RETIREMENT BENEFITS
For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

Key sources of estimation and uncertainty
The preparation of financial statements in accordance with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the accounting policies. The notes to the financial statements set out areas involving a higher degree of judgement or complexity, or areas where assumptions are significant to the financial statements such as intangible assets. Although these estimates are based upon management's best knowledge of the amount, event or actions, actual results may ultimately differ from those estimates. In the process of applying the Group's accounting policies, management has made the following judgements that have the most significant effect on the amounts recognised in the financial statements:

Derivative financial liabilities
Instruments determined to be a derivative financial liability are recognised at fair value, based on the transaction price, and subsequently re-measured at each reporting date at fair value through profit and loss. The fair value of the conversion element of convertible loan notes are calculated using a Black Scholes pricing model, which includes a number of inputs subject to estimation, the most sensitive of which are the expected volatility (98%).

Investment in subsidiary
Judgement is required by the Directors to assess the carrying value of the Company's loan to their subsidiary.

1 ACCOUNTING POLICIES (continued)

Scancell Holdings plc holds an intercompany receivable of £26.14 million with Scancell Limited as at 30 April 2022 (2021: £343k) of which £22 million has been repaid by Scancell Limited since the year -end. The key estimates and assumptions assessed in 2022 were deemed by management to have an immaterial impact on the recoverability of the asset.

Share-based payments
In calculating the fair value of equity-settled share-based payments using the Black-Scholes option pricing model, the Directors are required to exercise their judgement in determining input parameters which may

have a material effect on the fair value calculated. Judgement is also required in determining the fair value of share options with a hurdle price embedded into them.

Note 17 outlines the key judgements used in determining the fair value of the options granted in the year.

These judgements may have a material effect on the fair value calculated.

Agreement accounting
The group have entered into many different supplier contracts regarding research and development. These agreements often contain up-front payments and milestone payments. The agreements span a wide period and therefore management and the board must continuously monitor the ongoing status of research and development projects performed by suppliers to ensure that the correct costs are reflected accurately in the financial statements. Often the stage of progress of a project is difficult to determine and therefore relies upon key judgement.

The majority of research and development expenditure is formed as a result of entering into a contract. The areas of the financial statements impacted by the agreements include prepayments, accruals, commitments disclosures, research and development expenditure and the research and development tax claim.

2 SEGMENT REPORTING
The Directors consider that the Group operated within a single business segment.

3 OPERATING LOSS

	2022 £'000	2021 £'000
Operating Loss is stated after charging/(crediting):		
Grant income	(965)	(918)
Depreciation on tangible fixed assets	381	115
Amortisation of right-of-use asset	360	134
Research and development	9,477	6,406
Auditors' remuneration – fee payable for audit of the company	32	25
Auditors' remuneration – fee payable for audit of the subsidiary company	32	22
Auditors' remuneration – non audit fees	8	4
Directors' remuneration	1,185	1,015

4. INTEREST PAYABLE

	2022 £'000	2021 £'000
Lease interest	48	12
Loan interest	2,834	1,639
	2,882	1,651

5 TAXATION

Analysis of the tax credit

The tax credit on the loss on ordinary activities for the year was as follows:

	2022	2021
Current tax	£'000	£'000
UK corporation tax credits due on R&D expenditure	1,754	1,288
Adjustment to prior years	(51)	40
	1,703	1,328

Factors affecting the tax credit

The tax assessed for the years is lower than the applicable rate of corporation tax in the UK. The difference is explained below:

	2022	2021
	£'000	£'000
Loss on ordinary activities before tax	(3,768)	(16,805)
Loss on ordinary activities multiplied by the small company rate of tax in the UK (19 %)	(716)	(3,193)
Effects of:		
Disallowed (income)/expenditure on convertible loan	(1,820)	1,539
Other disallowed expenditure	131	94
Other timing differences	23	17
Enhanced tax relief on R&D expenditure	(1,329)	(967)
Reduced tax relief for losses surrendered for R&D tax credits	557	396
Prior year (under)/ over provision	51	(40)
Unrelieved losses carried forward	1,400	827
Current tax (credit)	(1,703)	(1,328)

The Group has tax losses to carry forward against future profits of approximately £35.22 million (2021: £26.65 million).

A deferred tax asset has not been recognised in respect of these losses as the Group does not anticipate sufficient taxable profits to arise in the foreseeable future to fully utilise them.

The estimated value of the deferred tax asset not recognised measured at the prevailing rate of tax when the timing differences are expected to reverse is £8.43million (2021: £4.93million). This is based on the substantively enacted rates at the balance sheet date. The current UK corporation rate of 19% was set to increase to 25% from 1 April 2023, as set out in the Finance Bill 2021 which was substantively enacted on 24 May 2021. Although it has recently been announced that this increase will not go ahead, as this has not been substantively enacted, the deferred tax balances are still measured at 25% (2021: 19%).

Taxation receivable is £2,990,000 (2021: £2,590,000).

6. LOSS PER SHARE

Basic loss per share
The earnings and weighted average number of ordinary shares used in the calculation of basic loss per share is as follows:

	2022 £'000	2021 £'000
Loss used in calculation of basic loss per share	(2,065)	(15,477)
	Number	Number
Weighted average number of ordinary shares of 0.1p each for the calculation of basic loss per share	815,218,831	678,628,780

Diluted loss per share
As the Group is reporting a loss from continuing operations for both years then, consequentially, the share options are not considered dilutive because the exercise of the share options would have the effect of reducing the loss per share.
At the year end the issued share capital amounted to 815,218,831 ordinary shares.

7 STAFF COSTS

	2022 £	2021 £
Directors' salaries	1,185	1,015
Wages and salaries	2,031	1,121
Social security costs	361	246
Pension costs	50	34
	3,627	2,414

A charge for share-based payments totalling £690,000 (2021: £333,627) was made in the year. This has arisen from the issuing of new share options during the financial year.

	2022 No.	2021 No.
The average monthly number of persons during the year was:		
Research employees	33	21
Other employees	7	4
	40	25

8 REMUNERATION OF KEY MANAGEMENT PERSONNEL

Key management are defined as the statutory Directors of the company. Remuneration of key management personnel for the year is:

Professor L Durrant received a salary of £376,875 (2021: £314,062); Dr RM Goodfellow received salary of £35,000 (2021: £18,750); Dr C Holloway received a salary of £436,590 (2021: £384,375); Dr S E Adams received a salary of £253,575 (2021: £258,305); Dr U Ney received a salary of £40,000 (2021: £22.917); and Ms S. Clement Davies received a salary of £43,750 (2021: £15,062). Details of consulting services provided by these directors are disclosed in note 12.

During the year the Company made pension contributions of £439 on behalf of Dr Cliff Holloway and £2,070 on behalf of Dr Sally Adams.

9 TANGIBLE FIXED ASSETS

current year	Computer Equipment £'000	Fixtures and Fittings £'000	Laboratory Equipment £'000	Total £'000
COST				
As at 1 May 2021	68	13	1,250	1,331
Additions	40	411	817	1,268
As at 30 April 2022	108	424	2,067	2,599
DEPRECIATION				
As at 1 May 2021	46	4	589	639
Charge for the year	16	74	291	381
As at 30 April 2022	62	78	880	1,020
NET BOOK VALUE				
At 30 April 2022	46	346	1,187	1,579
At 1 May 2021	22	9	661	692

prior year	Computer Equipment £'000	Fixtures and Fittings £'000	Laboratory Equipment £'000	Total £'000
COST				
As at 1 May 2020	51	3	533	587
Additions	17	10	717	744
As at 30 April 2021	68	13	1,250	1,331
DEPRECIATION				
As at 1 May 2020	39	1	484	524
Charge for the year	7	3	105	115
As at 30 April 2021	46	4	589	639
NET BOOK VALUE				
At 30 April 2021	22	9	661	692
At 1 May 2020	12	2	49	63

10. LEASES

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- Leases of low value assets; and
- Leases with a duration of 12 months or less.

The Company has three leases:

- A lease with the University of Nottingham for office and laboratory space.
- A lease with Regus which provides the Company with office space in Oxford.
- A lease with The Oxford Science Park ('TOSP') for additional office and laboratory space which was entered into in August 2021.

The TOSP Lease has been accounted for by recognising a right-of-use asset and a lease liability. The lease liability has been measured at the present value of the contractual payments due to the lessor over the lease term using an incremental borrowing rate of 5%, which is an estimate of the discount rate applicable to a property lease. The right-of-use asset has been initially measured at the amount of the lease liability. Subsequent to initial measurement the lease liability increases as a result of interest charged at a constant rate on the balance outstanding and is reduced for any lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease.

	Land and Buildings £'000	Total £'000
RIGHT- OF-USE ASSET		
As at 1 May 2020	132	132
Additions	285	285
Amortisation	(134)	(134)
At 30 April 2021	283	283
Additions	1,242	1,242
Amortisation	(360)	(360)
At 30 April 2022	1,165	1,165
LEASE LIABILITIES		
As at 1 May 2020	129	129
Additions	284	284
Interest expense related to lease liabilities	12	12
Repayments	(154)	(154)
At 30 April 2021	271	271
Additions	1,242	1,242
Interest expense related to lease liabilities	48	48
Repayments	(391)	(391)
At 30 April 2022	1,171	1,171

LEASE LIABILITIES	Up to three months £'000	Between 3 and 12 months £'000	Between one and five years £'000
At 30 April 2022	115	200	856
At 30 April 2021	45	163	63

ANALYSIS OF LEASE EXPENSE	2022 £'000	2021 £'000
Amortisation of right-of-use assets		
Land and buildings	359	134
Charge to operating loss	359	134
Interest expense related to lease liabilities	48	12
Charge to loss before taxation for leases	407	146

11. GOODWILL

	£'000
Cost at 1 May 2020 and 2021	3,415
Additions	-
Carrying value at 30 April 2021 and 2022	3,415

Goodwill is allocated to cash generating units ('CGU') and in the opinion of the Directors the Group consists of a single CGU. The goodwill arose on the acquisition of the wholly owned subsidiary Company, Scancell Limited. The Directors have carried out an impairment review of the goodwill arising on the acquisition of Scancell Limited. The Group has no budgeted revenues for the foreseeable future and so the Directors have compared the market capitalisation of Scancell Holdings plc, as quoted on AIM at the year end with the carrying value of goodwill and concluded that no impairment is necessary.

At 30 April 2022, the market capitalisation of the Company was £116.2million (2021: £179.4 million).

12 TRADE AND OTHER RECEIVABLES

	2022	2021
	£'000	£'000
VAT receivable	195	247
Prepayments	452	721
	647	968

13 TRADE AND OTHER PAYABLES

	2022	2021
	£'000	£'000
Trade payables	569	821
Taxation and social security	342	64
Accruals	1,227	1,202
	2,138	2,087

14 CONVERTIBLE LOAN NOTES

Non-current	CLN1	CLN2	Total
	£'000	£'000	£'000
At 1 May 2020	-	-	-
Issued in the year	3,895	12,525	16,420
Conversion to share capital	(2,875)	-	(2,875)
Interest expense	327	1,312	1,639
At 30 April 2021	1,347	13,837	15,184
Interest	180	1,502	1,682
Derecognition of original instrument	(1,527)	(15,349)	(16,866)
	-	-	-
Recognition of modified instrument	364	6,029	6,393
Interest expense	86	1,066	1,152
Interest paid in year	-	(537)	(537)
At 30 April 2022	450	6,558	7,008

CONVERTIBLE LOAN NOTES (continued)

The first tranche of convertible loan notes ('CLN1') were issued interest free and convertible into ordinary shares of Scancell Holdings plc at 6.1 pence per share at any time at the option of the holder or repayable on 12 August 2020.

The second tranche of convertible loan notes ('CLN2') were issued to Redmile Group with a coupon of 3% and convertible into ordinary shares of Scancell Holdings plc at 13 pence per share at any time at the option of the holder or repayable on 10 November 2022.

On 27 October 2021, the Directors entered into a deed of amendment relating to the convertible loan notes issued by the Company held by funds managed by Redmile Group, LLC (the "Redmile Funds").

Under the terms of the deed of amendment:

a. the deed constituting the Nil Rate Unsecured Convertible Loan Notes 2020, dated 12 August 2020, is amended such that the redemption date is extended to 12 August 2025, and
b. the deed constituting the 3% Unsecured Convertible Loan Notes 2020, dated 10 November 2020, is amended such that the redemption date is extended to 10 November 2025.

The convertible loan notes are unsecured.

15 DERIVATIVE FINANCIAL LIABILITY

	2022	2021
Non-current	£'000.	£'000.
Brought forward	12,031	-
Fair value at recognition	-	7,110
Derecognition of gain or loss on conversion of loans to shares		(1,402)
Fair value (gain)/ loss in the period	(2,083)	6,323
Derecognition of original instrument	(9,948)	-
	-	12,031
Fair value at recognition of modified instrument	13,255	-
Fair value gain in the period	(3,160)	
	10,095	-

Financial instruments that are measured subsequent to initial recognition at fair value are grouped into three levels based on the degree to which the fair value is observable as defined by IFRS 13:

- Level 1 fair value measurements are those derived from unadjusted quoted prices in active markets for identical assets and liabilities;
- Level 2 fair value measurements are those derived from inputs, other than quoted prices included within Level 1, that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data.

The derivative financial instrument included in the Statement of financial position, which is classified as a Level 3 derivative financial instrument, is the fair value of the conversion option of the convertible loan notes issued to Redmile Group LLC. The fair value has been determined using the Black Scholes model and is determined at the initial recognition of the liability and then at each subsequent reporting date, using an estimated volatility, a risk-free rate, a dividend yield, expected term, exercise price and end of year market price as follows:

15 DERIVATIVE FINANCIAL LIABILITY (continued)

	August 2025		November 2025	
	At date of modification	Year end 30 April 2022	At date of modification	Year end 30 April 2022
Estimated volatility (%)	74.65	64.7	74.65	64.7
Risk-free interest rate (%)	0.76	1.65	0.76	1.65
Dividend yield (%)	0	0	0	0
Expected term (years	4.03	3.29	4.03	3.53
Market share price (p)	21.5	14.25	21.5	14.25

Changes to the fair value are recognised in finance expense in the Consolidated profit or loss and other comprehensive income statement

16 GAIN ON SUBSTANTIAL MODIFICATION OF CONVERTIBLE LOAN NOTES

	2022 £'000
Derecognition of original instrument (note 14)	16,866
Recognition of modified instrument (note 14)	(6,393)
	10,473
Derecognition of derivative liability on original instrument (note 15)	9,948
Recognition of derivative liability on modified instrument (note 15)	(13,255)
Gain on substantial modification	**7,166**

17 SHARE CAPITAL

	2022 No.	2021 No.
Allotted, issued and fully paid		
0.1p ordinary shares		
Number of shares in issue at 1st May	**815,218,831**	**465,355,867**
Shares issued during the year:		
August 2020 - placing, subscription and open offer	-	163,771,225
October 2020 – subscription for shares	-	93,071,170
October 2020 – conversion of convertible loan note	-	16,393,442
November 2020 – conversion of convertible loan notes	-	53,326,124
November 2020 – open offer to shareholders	-	23,301,003
		-
Number of shares in issue at 30 April	**815,218,831**	**815,218,831**

	£'000.	£'000.
Allotted, issued and fully paid		
0.1p ordinary shares	815	815

All shares rank *pari passu* with voting rights and entitlement to dividend.

18 SHARE OPTIONS

The parent Company, Scancell Holdings plc, has granted options to members of staff as follows:

Share Scheme	Grant Date	Exercise Price	Number of shares	Period within which options are exercisable From	To
EMI	02.09.14	33.0p	40,000	02.09.17	02.09.24
	31.01.18	10.5p	3,333,277	31.01.18	31.01.28
	08.11.19	5.25p	180,000	08.11.19	08.11.29
	30.04.20	8.15p	1,000,000	30.04.20	30.04.30

The market price of the shares at 30 April 2022 was 14.25p and, the range during the year was 10.65p to 23.75p. Options may normally be exercised in whole or in part within the period of three to ten years after the date of the grant.

Further unapproved shares have been issued as follows:

Share Scheme	Grant Date	Option Price	Number of shares	Period within which options are exercisable From	To
Unapproved	29.06.10	4.5p	3,184,630	28.02.13	30.04.23
	10.12.13	33.2p	3,500,000	11.12.13	11.12.23
	18.04.16	17.0p	3,000,000	18.04.17	18.04.26
	31.01.18	10.5p	12,060,975	31.01.18	31.01.28
	30.04.20	8.15p	5,000,000	30.04.21	30.04.30
	30.07.20	4.5p	6,730,000	30.07.20	30.07.23
	09.09.21	21.25p	9,000,000	09.09.21	09.09.31
	16.02.22	14.15p	333,500	16.02.22	16.02.32
	19.04.22	14.25p	687,789	19.04.22	19.04.32

At 30 April 2022 the following options are held by Directors of the Company:

	Options At 30.04.21	Additions in the year	Cancelled or lapsed in the year	Options at 30.04.22	Exercise price	Date first exercisable	Expiry date
EMI Scheme							
S Adams	2,439,024			2,439,024	10.5p	31.01.18	31.01.28
Unapproved							
L Durrant	9,000,000			9,000,000	10.5p	31.01.18	31.01.28
L Durrant	1,000,000			1,000,000	8.15p	30.04.20	30.04.30
L Durrant	3,850,000			3,850,000	4.5p	30.07.20	30.07.23
L Durrant	-	9,000,000		9,000,000	21.25p	09.09.21	09.09.31
R Goodfellow	3,500,000		(1,750,000)	1,750, ,000	33.2p	10.12.14	31.12.23
R Goodfellow	1,000,000			1,000,000	8.15p	30.04.20	30.04.30
R Goodfellow	2,880,000			2,880,000	4.5p	30.07.20	30.07.23
J Chiplin	3,000,000			3,000,000	17.0p	18.04.16	18.04.26
J Chiplin	1,000,000			1,000,000	8.15p	30.04.20	30.04.30
S Adams	60,975			60,975	10.5p	31.01.18	31.01.28
S Adams	1,000,000			1,000,000	8.15p	30.04.20	30.04.30

18 SHARE OPTIONS (continued)

The weighted average exercise prices over the year were as follows:

	Number	Exercise Price
Enterprise Management Scheme		
Revised number of options outstanding at 1 May 2021	6,992,302	10.1p
Share options transferred to unapproved scheme	-(2,439,025)	10.5p
Number of options outstanding at 30 April 2022	4,553,277	9.9p
Number of EMI options exercisable at 30 April 2022	4,373,277	10.1p
Number of EMI options not exercisable at 30 April 2022	180,000	5.25p
Unapproved Scheme		
Revised number of options outstanding at 1 May 2021	31,036,580	11.4p
Share options transferred from EMI Scheme	2,439,025	10.5p
Additions in the year	10,021,289	18.6p
Number of options outstanding at 30 April 2022	43,496,894	13.5p
Number of unapproved options exercisable at 30 April 2022	24,995,605	11.6p
Number of unapproved options not exercisable at 30 April 2022	18,501,289	15.9p

Within the unapproved options are those granted to Ichor Medical Systems Inc. ("Ichor") pursuant to the License and Supply Agreement ('the Agreement') dated 13 July 2009. Under the terms of the Agreement, Ichor agreed to supply its TriGrid™ electroporation device for Scancell's pre-clinical and forthcoming clinical studies with SCIB1 and gave Scancell an option to license TriGrid™ for commercial use on achievement of certain milestones and payment of royalties. In return, Ichor was granted options to subscribe for ordinary shares in the Company. The options have been granted at 4.5p per share and the outstanding 3,184,630 share options vested on 23 April 2016 and have an expiry date of 30 April 2023.

All share options are equity settled. All options are subject to time vesting schedules (normally three years) to ensure retention and stretching performance hurdles to ensure that rewards are consistent with delivery of strategic goals. Examples of performance hurdles include progress in clinical development programs, partnering.

19 SHARE BASED PAYMENTS

The Company operates a number of share-based incentive schemes as detailed in note 17 above. The fair value of the awards granted and the assumptions used in the calculations are as follows:

Date of Grant	Type of Award	Number of Awards	Exercise Price	Share price at grant date	Fair value per option
29 June 2010	Unapproved	3,184,630	4.5p	6.0p	2.2p
10 December 2013	Unapproved	3,500,000	33.2p	36.0p	4.0p
5 September 2014	EMI	80,000	33.0p	33.75p	6.0p
18 April 2016	Unapproved	3,000,000	17.0p	17.0p	3.0p
31 January 2018	EMI	5,829,064	10.5p	10.25p	1.0p
31 January 2018	Unapproved	9,621,950	10.5p	10.25p	1.0p
8 November 2019	EMI	180,000	5.25p	5.25p	1.0p
30 April 2020	EMI	1,000,000	8.15p	8.15p	7.0p
30 April 2020	Unapproved	5,000,000	8.15p	8.15p	7.0p
9 September 2021	Unapproved	9,000,000	21.25p	22.25p	19.0p
16 February 2022	Unapproved	333,500	14.15p	14.15p	9.0p
19 April 2022	Unapproved	687,789	14.25p	17.0p	10.0p

19 SHARE BASED PAYMENTS (continued)

A description of the key assumptions used in calculating the share-based payments follows.

1. The Black-Scholes valuation methodology was used where appropriate.
2. The expected volatility is based upon historical volatility over a period of time and was 84.3% (2021: 91.4%)
3. The expected life used in the model varies between two and five years and is based upon management's best estimate for the effects of non-transferability, exercise restrictions and behavioural considerations.
4. The risk-free rate is based upon the prevailing UK Government bonds with similar maturity to the expected life at grant date.
5. Expected dividend yield is nil.
6. The weighted average fair value of options granted in the year was 18p (2021: no options granted)

20 RELATED PARTY TRANSACTIONS

During the year, the following directors provided consultancy services to the company as follows:

	2022 Total	2021 Total
Dr R.M Goodfellow	£116,667	£57,676
Dr J Chiplin	£147,500	£110,155
Dr A Lewis	-	£13,978

At the end of the year there were no balances outstanding:

Dr J Chiplin provided his consultancy services through a limited company, New Star Ventures Limited and Dr R Goodfellow through his consultancy business Dr Richard Goodfellow.

In addition to the above the Scancell Limited has a current account with its parent company, Scancell Holdings plc. At the year end the balance owing to Scancell Holdings plc amounted to £26,138,655 (2021: £343,165) and included a management charge from the parent company Scancell Holdings plc to Scancell Limited of £345,924 (2021: £342,922). The current account balance is interest free and there are no set repayment terms.

21 FINANCIAL INSTRUMENTS

The Group currently finances its operations through reserves of cash and liquid resources and does not have a borrowing requirement. Surplus cash at bank is placed on deposits at variable rates. The Board monitors the financial markets and the Group's own requirements to ensure that the policies are exercised in the Group's best interests.

Liquidity risk
Liquidity risk is the risk that the Group and Company will not be able to meet their financial obligations as they fall due. The Group and Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group and Company's reputation.

Market risk
Market risk is the risk that changes in market prices, such as interest rates and exchange rates will affect the Group and Company's income or the value of the holdings of financial instruments. The objective of market

risk management is to manage and control market risk exposures within acceptable parameters whilst optimising the return.

21 FINANCIAL INSTRUMENTS (continued)

The Group has no cash assets other than sterling current account balances of £41,110,240 (2020: £3,575,227) which are instantly available funds attracting variable rates of interest.

Credit risk
Credit risk is the risk of financial loss to the Group and Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from a Company's receivables from Customers. The Group and Company have no third-party customers and so this risk is viewed as minimal. Credit risk is considered for intercompany loans however the risk is mitigated through the management of those loans by way of regular capital contributions.

Maturity of financial liabilities
Except for the Convertible Loan Notes, Derivative financial liabilities and Lease liabilities, all other financial liabilities as at 30 April 2022 are payable within twelve months.

The following table sets out the contractual maturities (representing undiscounted contractual cashflows) of financial liabilities.

At 30 April 2021	Up to 3 months	Between 3 and 12 months	Between one and two years	Between two and five years
	£'000	£'000	£'000	£'000
Trade and other payables	2,138	-	-	-
Lease liabilities	110	250	346	464
Total	2,248	250	346	464

Fair values
All of the Group's financial assets and liabilities are initially recognised at transaction value. There is no material difference between the book value and the fair value, except for convertible loan and derivative liabilities which are initially and subsequently recognised at fair value, of the Group's financial assets or liabilities for those items carried at amortised cost.

The Group's financial instruments comprise cash and cash equivalents and items such as trade and other payables which arise directly from its operations. The main purpose of these financial instruments is to provide finance for the Group's operations.

Financial instruments	2022 £'000	2021 £'000
Cash assets		
Cash and cash equivalents	28,725	41,110
Financial liabilities		
Trade and other payables	(1,796)	(2,022)
Lease liabilities	(1,171)	(271)
Convertible loan notes	(7,008)	(15,184)
Derivative financial liability	(10,095)	(12,031)
Total financial liabilities	(20,070)	(29,508)

22. FINANCIAL COMMITMENTS
Scancell Limited in-licensed certain monoclonal antibodies for further development. Under the licensing arrangement, the Company is committed to make certain milestone and royalty payments to the licensor of up to a maximum of 10% of the licence revenue received on the in-licensed products.

23. SUBSEQUENT EVENT

On 21 October 2022, Scancell Limited signed a licence agreement with Genmab (NASDAQ: GMAB), an international biotechnology company, to develop and commercialise a Scancell investigational anti-glycan monoclonal antibody into novel therapeutic products.

Genmab has been granted the exclusive right to develop and commercialise the Scancell antibody in multiple novel potential therapeutic products for any and all potential disease areas, excluding cell therapy applications. Scancell will be eligible to receive upfront and potential development and commercialisation milestone payments, as well as royalties on products sold. Scancell will receive from Genmab an upfront payment as well as potential milestone payments of up to $208 million for each product developed and commercialised, up to a maximum of $624 million if Genmab develops and commercialises products across all defined modalities. Scancell will also receive single digit royalties from Genmab on net sales of all commercialised products.

Scancell Holdings plc

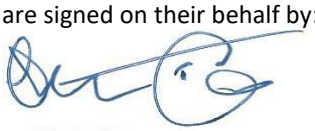
COMPANY STATEMENT OF FINANCIAL POSITION

As at 30 April 2022

		2022	2021
ASSETS		£'000	£'000
Non-current assets			
Investments	A	56,990	56,300
		56,990	56,300
Current assets			
Trade and other receivables	B	26,226	388
Cash and cash equivalents		398	26,981
		26,624	27,369
TOTAL ASSETS		83,614	83,669
LIABILITIES			
Current Liabilities			
Trade and other payables	C	(230)	(174)
Non-current liabilities			
Convertible loan notes	14	(7,008)	(15,184)
Derivative liability	15	(10,095)	(12,031)
		(17,103)	(27,215)
TOTAL LIABILITIES		(17,333)	(27,389)
NET ASSETS		66,281	56,280
SHAREHOLDERS' EQUITY			
Called up share capital	17	815	815
Share premium		65,019	65,019
Share option reserve		1,395	705
Profit and loss account		(948)	(10,259)
TOTAL SHAREHOLDERS' EQUITY		66,281	56,280

The Company's profit and total comprehensive income for the financial year was £9,312,000 (2021: loss £8,291,000).

These financial statements were approved by the Directors on 27 October 2022 and are authorised for issue and are signed on their behalf by:



John Chiplin
Director

Scancell Holdings plc

COMPANY STATEMENT OF CHANGES IN EQUITY

for the year ended 30 April 2022

	Share Capital	Share Premium	Share Option	Retained Earnings	Total
	£'000	£'000	£'000	£'000	£'000
Balance 30 April 2020	465	38,388	372	(1,968)	37,257
Share issue	280	23,856	-	-	24,136
Expenses of issue	-	(1,409)	-	-	(1,409)
Conversion of loan notes	70	4,184			4,254
Loss for the year and total comprehensive loss	-	-	-	(8,291)	(8,291)
Share option charge	-	-	333	-	333
Balance 30 April 2021	815	65,019	705	(10,259)	56,280
Profit for the year and total comprehensive income	-	-	-	9,311	9,311
Share option charge	-	-	690	-	690
Balance 30 April 2022	815	65,019	1,395	(948)	66,281

Scancell Holdings plc

COMPANY CASHFLOW STATEMENT

for the year ended 30 April 2022

	Note	2022 £'000	2021 £'000
Cash flows from operating activities			
Profit/ (Loss) before tax		9,311	(8,291)
Adjustments for:			
Finance income		-	(2)
Convertible loan interest payable	14	2,834	1,639
Gain on substantial modification	16	(7,166)	-
Finance(income)/ expense for derivative liability	15	(5,243)	6,323
Cash flows used in operations before changes in working capital		**(264)**	**(331)**
(Increase) in other receivables		(25,838)	(138)
Increase in accounts and other payables		56	7
Cash used in operations		**(26,046)**	**(462)**
Tax credits received		-	-
Net cash used in operating activities		**(26,046)**	**(462)**
Financing activities			
Proceeds from issue of share capital		-	24,136
Expenses of share issue		-	(1,409)
Proceeds from issue of convertible loan notes		-	23,901
Expenses of convertible loan notes issue		-	(395)
Convertible loan interest paid		(537)	-
Finance income		(27)	2
Net cash (used in)/ generated from financing activities		**(537)**	**46,235**
Investing activities			
Capital contribution to subsidiary company		**-**	**(21,900)**
Cash used in investing activities		**-**	**(21,900)**
Net (decrease)/increase in cash and cash equivalents		**(26,583)**	**23,873**
Cash and cash equivalents at beginning of the year		**26,981**	**3,108**
Cash and cash equivalents at end of the year		**398**	**26,981**

Basis of preparation

These financial statements have been prepared in accordance with international accounting standards in conformity with requirements of the Companies Act 2006 applicable to companies reporting under IFRS and are consistent with the accounting policies of the Group set out on page 34. As permitted by Section 408(3) of the Companies Act 2006, the Income Statement of the parent Company is not presented with these Financial Statements. The loss and other comprehensive loss of the parent Company is shown in the statement of changes in equity on page 54.

A FIXED ASSET INVESTMENTS

COMPANY - shares in Group undertaking	£'000
Cost at 1 May 2020	34,066
Capital contribution to subsidiary company	21,900
Share options granted/cancelled	334
Cost at 30 April 2021	56,300
Capital contribution to subsidiary company	-
Share options granted	690
Cost at 30 April 2022	56,990

The Company's investment at the balance sheet date represents 100% of the ordinary share capital of its subsidiary Company, Scancell Limited, registered in the UK whose business is the discovery and development of treatments for cancer and infectious diseases. There are no significant restrictions within the Group regarding access or use of assets or settling liabilities.

At 30 April 2022 the aggregate capital and reserves of Scancell Limited was £5,403,656 (2021: £16,090,943) and its loss for the financial year was £11,377,454 (2021: Loss of £7,185255). No impairment indicators were identified at 30 April 2022 and the market capitalisation of the Group at the year end was £116.2 million.

B TRADE AND OTHER RECEIVABLES

Company	2022	2021
	£'000	£'000
Amount owed by Group undertakings	26,139	343
VAT receivable	5	19
Prepayments	82	26
	26,226	388

The amounts owed by Group undertakings are interest free with no set repayment term.

C TRADE AND OTHER PAYABLES

	2022	2021
	£'000	£'000
Trade creditors	44	55
Accruals	186	119
	230	174

D RELATED PARTIES

The Company has a current account with its subsidiary company, Scancell Limited. At the year end the amount owing to Scancell Holdings plc amounted to £26,138,655 (2021: £343,164). The loan is interest free, there are no set repayment terms and an amount £22,000,000 has been repaid to Scancell Holdings plc by Scancell Limited.

E FINANCIAL INSTRUMENTS

	2022	2021
	£'000	£'000
Financial assets		
Cash and cash equivalents	398	26,981
Amount owed by Group Undertaking	26,139	343
	26,537	27,324
Financial liabilities		
Trade and other payables	(230)	(174)
Convertible loan notes	(7,007)	(15,184)
Derivative financial liabilities	(10,095)	(12,031)
	(17,332)	(27,389)

The carrying values of financial instruments held at amortised cost approximate their fair values.